SUMMARY

Dated 25 July 2024

This Summary 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.

In respect of an issue of up to
€20,000,000 5.3% Secured Bonds 2034
of a nominal value of €100 per Bond issued and redeemable at par
ISIN: MT0002191238

by

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

with the joint and several Guarantee of Mercury Towers Ltd

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

THIS SUMMARY HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVED THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF TWELVE (12) MONTHS FROM THE DATE THEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

APPROVED BY THE BOARD OF DIRECTORS

Joseph Portelli
Director

signing in his own capacity as director of the Issuer and on behalf of each of Stephen Muscat, Mario Vella and Peter Portelli.

1 INTRODUCTION AND WARNINGS

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which investors require in order to understand the nature and the risks of the Issuer and the Bonds. Except where the context otherwise requires, the capitalised words and expressions usaed in this Summary shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

Issuer	Mercury Projects Finance p.l.c., a public limited liability company registered in Malta, with company registration number C 89117 and legal entity identifier (LEI) number 391200HPXPO29NMJCF40
Address	1400, Block 14, Portomaso, St Julian's, Malta
Telephone number	+356 21313029
Issuer Website	www.mercury.com.mt
Competent authority approving the Prospectus	The MFSA, established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta)
Address	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta
Telephone number	+ 356 2144 1155
MFSA Website	https://www.mfsa.mt/
Name of the securities	€20,000,000 5.3% Secured Bonds 2034
ISIN of Bonds	MT0002191238
Prospectus approval date	25 July 2024

Prospective investors are hereby warned that:

(i) this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Bonds being offered pursuant to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this document;
(ii) any decision of the investor to invest in the Bonds should be based on a consideration of the Prospectus as a whole by the investor;
(iii) an investor may lose all or part of the capital invested in subscribing for Bonds;
(iv) where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
(v) civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate, or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Bonds.

2 KEY INFORMATION ON THE ISSUER

2.1 WHO IS THE ISSUER OF THE BONDS?

Domicile and legal form, LEI and country of incorporation
The Issuer is Mercury Projects Finance p.l.c., a public limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta). The Issuer was incorporated and is domiciled in Malta with legal entity identifier (LEI) number 391200HPXPO29NMJCF40.

Principal activities of the Issuer
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 assets of the Issuer therefore principally consist of loans granted to companies forming part of the Mercury Group.

Organisational structure of the Group
The Issuer is fully owned by Mercury Towers Ltd (C 77402), which is the Guarantor of the Bond Issue, except for one (1) share which is held by Mr Joseph Portelli, being the ultimate beneficial owner of the Group. Apart from the Issuer, the Guarantor has other subsidiaries, each of which, together with the Guarantor, own different elements of the Mercury House Project. Such subsidiaries, which are all fully owned by the Guarantor, include Mercury Hotel Ltd. (C 100730), Mercury Commercial Mall Ltd. (C 100729) and Mercury Car Park II Ltd (C 100736).

Major shareholders of the Issuer
The Issuer's majority shareholder is the Guarantor which holds all of the issued shares except for one (1) share (namely 249,999 ordinary shares of a nominal value of €1 each), whereas the 1 remaining share (namely 1 ordinary share of €1) is held by Joseph Portelli. The Guarantor is in turn fully owned, and the Group is ultimately beneficially owned, by the said Mr Joseph Portelli.

Key managing directors
The board of directors of the Issuer is composed of the following persons: Mr Joseph Portelli (Executive Director), Mr Stephen Muscat (Independent Non-Executive Director), Mr Mario Vella (Independent Non-Executive Director) and Mr Peter Portelli (Independent Non-Executive Director).

Statutory Auditors
The auditors of the Issuer as of the date of this Summary and since its incorporation are Baker Tilly Malta of Level 5, Rosa Marina Building, 216, Marina Seafront, Pieta' PTA 9041, Malta. The Accountancy Board registration number of Baker Tilly is AB26/84/28.

2.2 WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

The key financial information regarding the Issuer is set out below:

	FY2023 €000s Audited	FY2022 €000s Audited	FY2021 €000s Audited
Statement of Comprehensive Income			
Profit for the year	83	73	69
Statement of Financial Position			
Total assets	75,274	75,332	23,688
Total equity	575	493	420
Total liabilities	74,698	74,839	23,268
Statement of Cash Flows			
Net cash generated from / (used in) operating activities	10	(73)	55
Net cash used in investing activities	-	(50,000)	-
Net cash (used in) / generated from investing activities	(141)	50,406	(164)

2.3 WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

The most material risk factor specific to the Issuer is the following:

Reliance of the Issuer on the Group
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. Its assets therefore consist primarily of loans issued to Group companies, and the only revenue generating activities of the Issuer is the receipt of principal and interest income paid on the said loans. The Issuer is therefore economically dependent on the operational results, financial condition and performance of its borrower Group companies, principally the Guarantor, which may in turn be negatively affected by various risks affecting them and their business and operations. Therefore, the risks intrinsic in the business and operations of Group companies, and underperformance of these Group companies, may have an adverse effect on the ability of the Issuer to meet its obligations in connection with the payment of interest and principal under the Bonds.

3 KEY INFORMATION ON THE SECURITIES

3.1 WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

The Bonds are being issued in an aggregate amount of up to €20,000,000 with a nominal value of €100 per Bond issued and redeemable at par and redeemable on 10 September 2034. The Bonds bear interest at the rate of 5.3% per annum on the nominal value of the Bonds, payable on 10 September of each year, with the first interest payment being due on 10 September 2025 and the last interest payment being due on the Redemption Date.

The Bonds shall be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Bonds shall have the following ISIN: MT0002191238. The Bonds shall be freely transferable.

The Bonds shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves. The Bonds shall be jointly and severally guaranteed in respect of both the interest due and the principal amount by the Guarantor in terms of the Guarantee and they shall also be secured by a first ranking special hypothec on the Security Property for Bonds (essentially the immovable property consisting of 'Mercury House' within the Mercury House Project) to be constituted by the Guarantor in favour of the Security Trustee for the benefit of the Bondholders. In respect of the said Guarantor, save for such exceptions as may be provided by applicable law, the Bonds shall rank with priority or preference to all present and future unsecured obligations of the said Guarantor, by virtue and to the extent of the said first ranking special hypothec.

There are no special rights attached to the Bonds other than the right of the Bondholders to (i) repayment of capital and payment of interest on the due dates; (ii) the benefit of the Collateral (namely the Guarantee and the first ranking Special Hypothec over the Security Property for Bonds) through the Security Trustee; (iii) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and (iv) such other rights attached to the Bonds emanating from the Prospectus.

3.2 WHERE WILL THE SECURITIES BE TRADED?

Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.

3.3 IS THERE A GUARANTEE ATTACHED TO THE SECURITIES?

THE GUARANTEE
Apart from the above-mentioned first ranking Special Hypothec on the Security Property for Bonds to be granted by the Guarantor, the Bonds will also be secured through the joint and several guarantee of the Guarantor in terms of the Guarantee dated 25 July 2024. Accordingly, the Security Trustee, for the benefit of itself and the Bondholders, shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount, when due. The Guarantee also entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer. The Guarantee constitutes a direct and unconditional obligation of the Guarantor, and the Guarantor's obligations under the Guarantee shall rank *pari passu* with all its other unsecured and unsubordinated obligations.

THE GUARANTOR
The Guarantor is Mercury Towers Ltd, a private limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta) having company registration number C 77402. The legal entity identifier (LEI) number of the Guarantor is 3912008XQEJHUJ4GAI82. The Guarantor is the parent company of the Group. Apart from the holding of shares in its subsidiary companies (including the Issuer), the Guarantor is itself actively involved in the development and operation of parts of the Mercury House Project and owns and is intended to continue to own, finish (where applicable) and operate certain essential elements of Retained Property within the Project.

KEY FINANCIAL INFORMATION REGARDING THE GUARANTOR

The key consolidated financial information regarding the Guarantor is set out below.

	FY2023 €000s Audited	FY2022 €000s Audited	FY2021 €000s Audited
Statement of Comprehensive Income			
Profit for the year	5,737	8,674	(5,775)
Statement of Financial Position			
Total assets	269,552	179,438	113,045
Total equity	78,772	37,197	34,647
Total liabilities	190,780	142,241	78,398
Statement of Cash Flows			
Net cash generated from / (used in) operating activities	16,235	(8,644)	(19,285)
Net cash used in investing activities	(73,211)	(23,569)	(17,671)
Net cash generated from financing activities	35,366	52,400	37,193

3.4 KEY RISKS RELATING TO THE GUARANTOR AND THE COLLATERAL

ECONOMIC AND FINANCIAL RISKS

Risks arising from war and/or conflict
Wars and conflicts which may from time to time occur in various parts of the world, including current Russia – Ukraine conflict and the Middle Eastern conflict, may present new risks or exacerbate certain risks to which the operations of the Group are subject, including shortage of and/or increase in prices and delay in importation and delivery of material and supplies needed for the finishing of the Project, apart from the negative effects these may have on the economy as a whole and on particular economic drivers, such as tourism.

Risks relating to inflation relevant to the business of the Group
As at the date of this Prospectus, inflation is relatively high and in various regions or countries is on the rise. Inflation may negatively affect the future financial performance of the Group, including through the consequent increase in the prices of goods and services and the cost of new opportunities, higher borrowing costs, and overall decrease in purchasing power.

Risks relating to financing of the Group
As at the date of this Prospectus, the Guarantor has bank debt, as well as the Issuer-Guarantor Loan 2019 and the Issuer-Guarantor Loan 2022 due to the Issuer. The Guarantor's, and consequently the Group's, financial gearing levels will further increase pursuant to the Bond Issue, and may also increase as a result of further future indebtedness. 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. This may have an adverse effect on the profitability of the Guarantor or its Subsidiaries. Furthermore, 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 terms.

BUSINESS AND OPERATIONAL RISKS

Concentration risk
The Group's business model remains primarily reliant on the Project within the Site. 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 hospitality, accommodation, retail market and real estate development related risks to which the Project is or may become exposed.

The Group depends on third parties in connection with its business, giving rise to counter-party risks
The Group relies upon third party or related contractors, professionals, suppliers or other service providers for the completion and finishing (where applicable) and subsequent operation of its property developments. This gives rise to counter-party risks where such third parties default on their contractual obligations, including the resulting development cost overruns or delays in completion or loss of revenue, with the resultant negative impact on the Group's business, financial condition and operations. Furthermore, prospective purchasers of the few remaining unsold services apartments and tenants of commercial properties may default on their payment and other obligations towards the relevant Group companies, thus causing potential liquidity shortages for the Group and forcing the same into potential litigation.

Risks relating to the hospitality industry
The Group's future hospitality operations and the results thereof are subject to external factors that could adversely affect its business, many of which are common to the hotel industry and beyond the Group's control, including changes in travel patterns and customer trends, the seasonality and cyclical nature of the tourism industry, the impact of outbreaks of contagious diseases and other unexpected calamities on patterns and/or volume of travel, the introduction of legal requirements or restrictions related to the hospitality industry, increases in operating costs and taxes and increasing competition.

Risks relating to the commercial rental business of the Group
The Group is involved in rental of retail outlets, food and beverage outlets and other commercial units to third parties. This business sector may be affected by a number of factors, including national economy, political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation and other economic, political and social factors. An increase in the supply of commercial 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. The business, revenue and projected profits of the Group would also be negatively impacted if lessees fail to honour their respective lease obligations, or terminate or elect not to renew their respective lease upon termination. Furthermore, the Group may be subject to increases in operating and other expenses with respect to the said properties, which may not necessarily be recoverable from the third party tenants.

RISKS RELATING TO THE COLLATERAL

Risks relating to the Guarantee
The strength of the undertakings on the part of the Guarantor under the Guarantee and therefore, the level of recoverability by the Security Trustee from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor, which will be affected by the level of indebtedness and liabilities incurred by such Guarantor.

Risks relating to the Collateral constituted by the Special Hypothec and the value thereof
The Security Property for Bonds has been professionally valued for a total amount which should be sufficient to cover payment of the Redemption Value of the Bonds. Whilst the Special Hypothec in respect of the Bonds grants the Security Trustee a right of preference and priority for repayment of the Bonds over the creditors of the Guarantor in respect of the Security Property for Bonds, there can be no guarantee that the value of the said Security Property for Bonds over the term of the Bonds will be and/or remain sufficient to cover the full amount of interest and Redemption Value outstanding under the said Bonds. This may be the result of various factors, including general economic factors that could have an adverse impact on the value of the Security Property for Bonds. There is also no guarantee that the value of Security Property for Bonds determined in the independent valuation is necessarily correct or would actually be achieved on the market. The valuation of property is inherently subjective.

Risks relating to ranking of Special Hypothec forming part of the Collateral
The first ranking Special Hypothec to be constituted by the Guarantor over the Security Property for Bonds respectively owned by them in favour of the Security Trustee shall rank after the claims of privileged creditors should a note of inscription of a special privilege be registered with the Public Registry securing the privileged creditor's claim.

3.5 WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?

Suitability of the Bonds
An investment in the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to read and understand the Prospectus in full and to consult an investment advisor before making an investment decision with a view to ascertain that s/he has sufficient knowledge and understanding of the Bonds and the merits and risks of investing in the Bonds, and that s/he has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds. Otherwise there is a risk that such an investor may acquire an investment which is not suitable for his/her risk profile.

Interest rate risk
Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. In particular, if interest rates rise, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Moreover, price risks for longer maturity bonds tend to be higher than for shorter maturity bonds.

Risks relating to inflation relevant to an investment in the Bonds
Inflation, namely the rising level of prices for goods and services, currently remains at elevated levels when compared to the past decades. This can have two negative impacts on those who invest in bonds. Inflation typically leads to a rise in short-term interest rates, and intermediate and longer-term rates also tend to go up as a consequence. This rise in interest rates will lead to a fall in the prices of bonds. Furthermore, inflation can wipe away the yields generated by a bond, in view of the loss of purchasing power brought about by inflation.

Trading and liquidity risks
There can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to re-sell his/her Bonds at or above the Bond Issue Price or at all. The existence of an orderly and liquid market for the Bonds depends on a number of factors, which are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. The outbreak of the COVID-19 pandemic in Q1 2020, has resulted in a highly volatile economy. This volatility may also increase as a result of wars or conflicts between countries, including the current Russia – Ukraine conflict and the Middle East conflict. There can be no assurance that continued or increased volatility and disruption in the capital markets will not impair the saleability of the Bonds.

4 KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

4.1 UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

APPLICATION FOR THE BONDS

Application for the Bonds must be lodged with any of the Authorised Financial Intermediaries. All Applications are subject to a minimum subscription amount of €5,000 in nominal value of Bonds and in multiples of €100 thereafter.

EXPECTED TIMETABLE

1.	Offer Period:	2 August 2024 to 30 August 2024
2.	Placement Date:	30 August 2024
3.	Intermediaries' Offer Date:	30 August 2024
4.	Commencement of interest:	10 September 2024
5.	Expected announcement of basis of acceptance:	10 September 2024
6.	Expected dispatch of allotment letters:	20 September 2024
7.	Latest date of constitution of Special Hypothec on Security Property for Bonds:	20 September 2024
8.	Latest date of admission of Bonds to listing:	20 September 2024
9.	Latest date of commencement of trading in the Bonds:	23 September 2024

The Issuer reserves the right to close the Offer Period earlier in the event of full or over-subscription, in which case the events set out in step 2 onwards and the Issue Date may be brought forward. The dates specified in step 7 onwards are latest dates for the occurrence of the events mentioned therein, which events may in actual fact take place earlier than such latest dates.

Plan of distribution and allotment and allocation policy
The Bonds are open for subscription by all categories of investors.

The Issuer may enter into conditional Placement Agreement/s with one or more Authorised Financial Intermediary/ies whereby an agreed amount in nominal value of the Bonds shall be made available for subscription to such Authorised Financial Intermediaries, for their own account or on behalf of their clients. The Issuer may enter into subscription agreements with Authorised Financial Intermediaries for an aggregate amount equivalent to the remaining amount of the Bond Issue not covered by the Placement Agreements (if any), for subscription of Bonds by such Authorised Financial Intermediaries for their own account or on behalf of their clients.

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; and (2) the Bonds being admitted to the Official List. In the event that any of the aforesaid Conditions Precedent is not satisfied, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account.

Total estimated expenses
The total estimated expenses of the Bond Issue are **€750,000.** These will be borne by the Guarantor as further explained in section 4.2 below.

4.2 WHY IS THIS PROSPECTUS BEING ISSUED?

Use and estimated net amount of proceeds
The proceeds from the Bond Issue, will be used by the Issuer to provide a loan facility to the Guarantor, namely the Issuer-Guarantor Loan 2024, to be used as provided below. The Issuer-Guarantor Loan will bear interest at 5.5% per annum payable on 25 August of each year, and the principal amount thereof shall be repayable by not later than 25 August 2034.

In turn, the Issuer-Guarantor Loan 2024 will be used by the Guarantor for the following purposes, in the amounts and order of priority set out below:

(i) **Refinancing of the Relevant BOV Loan:** the amount of approximately **€5,000,000** will be used to re-finance the outstanding Relevant BOV Loan due by the Guarantor to Bank of Valletta p.l.c., which loan was originally principally utilised to finance part of the completion and finishing costs of the Project;

(ii) **Completion and finishing costs of the Project:** an amount of approximately **€7,750,000** will be used to finance the remaining development (completion and finishing) costs of the Project; and

(iii) **General corporate funding:** the amount of approximately **€7,250,000** together with any residual amounts not utilised for the purposes identified in paragraphs (i) and (ii) above, shall be utilised for general corporate funding purposes of the Group, including the expenses of the Bond Issue.

The expenses of the Bond Issue (expected to amount to €750,000), have been agreed to be borne by the Guarantor, and will thus still form part of the loan made thereto under the Issuer-Guarantor Loan 2024 and shall be included under (iii) above.

Underwriting
The Bond Issue is not subject to an underwriting agreement on a firm commitment basis.

Conflicts of interest
Save for the subscription for Bonds by the Authorised Financial Intermediaries (which include the Sponsor and the Registrar), and any fees payable in connection with the Bond Issue to the Sponsor and the Registrar, so far as the Issuer is aware no person involved in the Bond Issue has any material conflicts of interest pertaining to the offer of Bonds or their admission to trading.