



MERCURY FINANCE
MERCURY PROJECTS FINANCE p.l.c.

1400, Block 14, Portomaso, St. Julian's, Malta
Co. Reg. No. C89117

COMPANY ANNOUNCEMENT

Restructuring of Security Property

By virtue of a prospectus dated 4 March 2019 (the **"Prospectus"**) the Company issued:

- €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) (**"Series I Bonds"**); and
- €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) (**"Series II Bonds"**) and together with the Series I Bonds referred to as the **"Bonds"**)

By virtue of a Security Trust Deed executed on the 4th March 2019 (the **"Original Trust Deed"**) between CSB Trustees and Fiduciaries Limited (the **"Security Trustee"**), the Company (as Issuer of the Bonds) and Mercury Towers Limited (as Guarantor of the Bonds) (the **"Guarantor"**) and by virtue of a notarial deed published in the records of Notary Kristen Dimech dated 25th March 2019 (the **"Original Deed of Hypothec"**), the Guarantor had 'inter alia' constituted a first ranking special hypothec for the amount of eleven million and five hundred thousand Euro (€11,500,000) and relative interest on the Conference Hall, Level 11, Level 30 and the Restaurant as described in the Original Deed of Hypothec as exclusive security for the Series I Bonds and a first ranking special hypothec for the amount of eleven million Euro (€11,000,000) and relative interest on Mercury House as described in the Original Deed of Hypothec as exclusive security for the Series II Bonds (together the **"Original Special Hypothecs"** or the **"Original Security"**), secured by Notes of Hypothec inscribed at the Public Registry of Malta bearing inscription numbers H/6291/2019 and H/6290/2019 (the **"2019 Notes of Hypothec"**) respectively, and this in warranty of the fulfilment of all obligations undertaken by the Company (as Issuer) towards the Bondholders of the relevant Series by virtue of the Prospectus and by virtue of the Original Trust Deed, including without prejudice to the generality of the foregoing, the full repayment of the Bonds of the relevant Series by the respective Redemption Date and the full repayment of all interest due on the Bonds of the relevant Series.

As announced by the Company in February 2022, the Guarantor subsequently obtained a permit 'inter alia' to construct an additional floor of serviced apartments within the Tower, namely at Level 31, and there has also been a revaluation of the various immovable elements subject to the Original Special Hypothecs and constituting the original Security Property set out in the Prospectus, and consequently it was agreed by and between the Company, the Guarantor and the Security Trustee to restructure

Directors

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the security in respect of the Bonds through a reconstitution of a first ranking special hypothec over different elements and combinations of immovable property and the cancellation of the 2019 Notes of Hypothec. For this purpose, the Company, the Guarantor and the Security Trustee entered into an addendum to the Original Trust Deed dated 14 February 2022 (the **"First Trust Deed Addendum"**) as well as into a notarial deed before Notary Anna Theuma dated 14 February 2022 (the **"2022 Deed"**) to give effect to the above-mentioned constitution of new security and cancellation of the 2019 Notes of Hypothec, and the resultant security for the Bonds was a first ranking special hypothec for the amount of eleven million and five hundred thousand Euro (€11,500,000) and relative interest on Mercury House, Commercial Space L01 and Commercial Space L02, as described in the 2022 Deed as exclusive security for the Series I Bonds and a first ranking special hypothec for the amount of eleven million Euro (€11,000,000) and relative interest on the apartments included in level 31 of the Tower as described in the 2022 Deed as exclusive security for the Series II Bonds (together the **"First Subsequent Special Hypothecs"** or the **"First Restructured Security"**), secured by Notes of Hypothec inscribed at the Public Registry of Malta bearing inscription numbers I. 6848/2022 and H.6847/2022 (the **"2022 Notes of Hypothec"**) respectively,

Since the 2022 Deed and the constitution of the above-mentioned First Restructured Security (i) it resulted necessary to redefine the elements of immovable property constituting such First Restructured Security to better reflect the Security Property comprised therein in terms of its continued development and resultant use and its increase in value; and (ii) there has been a revaluation of the various elements constituting the Security Property under the First Restructured Security, which have resulted in different values to those assigned to them in 2022, particularly (but without limitation) in view of the completion of development which took place since 2022, all as shown in the valuations report dated 15 July 2024 prepared by Architect Edwin Mintoff, B.E.&A. (Hons). Ph.D. (Newcastle) A. & C.E., of 119, Sliema Road, Gzira, Malta, GZR1635, Malta, which is accessible on the Issuer's website at the following hyperlink: <https://mercury.com.mt/investor-relations/>

In view of the above, it was agreed by and between the Company, the Guarantor and the Security Trustee to restructure the security in respect of the Bonds consisting of the first ranking Subsequent Special Hypothecs over the Security Property under the First Restructured Security, through:

- (i) a redefinition of the different elements of immovable property hypothecated by the Subsequent Special Hypothecs and constituting the Security Property under the First Restructured Security, which redefinition was made by notarial deed in the records of Notary Kristen Dimech dated 12 July 2024 (the **"First New Deed"**) and pursuant to which two new additional hypothecs have been duly constituted and registered at the Public Registry Malta bearing inscription numbers I.13657/2024 for the Series I Bonds and I.

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13658/2024 for the Series II Bonds, in addition to the 2022 Notes of Hypothec (the **"2024 Redefinition Notes of Hypothec"**);

- (ii) a waiver and reduction of hypothecary rights over certain elements of immovable property constituting the First Restructured Security for the Bonds and the constitution of additional security by special hypothec for the Series I Bonds as described hereunder, which waiver and reduction and additional security were made by notarial deed in the records of Notary Kristen Dimech dated 16 July 2024 (the **"Second New Deed"**), by virtue of which essentially there was effected a waiver and reduction of the hypothecary rights emanating from the 2022 Notes of Hypothec and the 2024 Redefinition Notes of Hypothec in so far as these affected Mercury House (as described and/or redefined in the First New Deed and the Second New Deed) securing Series I Bonds and Twist L11 and L12 within the Tower and the Apartment internally numbered 3103 situated at Level 31 of the Tower (both elements as described and/or redefined in the First New Deed and the Second New Deed) securing Series II Bonds, and there was constituted additional security for Series I Bonds by way of a special hypothec over the said Apartment internally numbered 3103 situated at Level 31 of the Tower previously hypothecated to secure Series II Bonds.

It was therefore agreed between the parties that the newly constituted security (the **"New Security"**) would consist of a first ranking special hypothec over the following immovable property owned by the Guarantor (as better described in the Second New Deed):

- (a) In respect of Series I Bonds:
- 'Commercial Space L01' meaning the space situated on Level zero one (L01) of the Tower and limitedly to this floor level, measuring approximately four hundred and thirty two square metres (432sqm), which is and shall be used as a commercial space as is determined by the building permit relative to the Mercury Towers project as amended and/or supplemented from time to time (the **"Building Permit"**) from time to time, bounded on the North East by Mercury House, and on all other sides by other areas of the Mercury Site;
 - 'Commercial Space L02' meaning the space situated on Level zero two (L02) of the Tower and limitedly to this floor level measuring approximately four hundred and eighty seven point one seven square metres (487.17sqm) which is and shall be used as a commercial space as determined by the Building Permit from time to time, bounded on the East by the divided portion from this level amalgamated to Mercury House, and on all other sides by other areas of the Mercury Site;

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- Apartment internally numbered three one zero three (3103) in aggregate measuring approximately two hundred and ninety eight square metres (298sqm), an approximate two hundred and fifty seven square metres (257sqm) of which constitute the built-up area and forty one square metres (41sqm) the external area being the first apartment from the left hand side on this floor level when the Tower is viewed from the South; and
- (b) In respect of Series II Bonds:
- Apartment internally numbered three one zero one (3101) in aggregate measuring approximately two hundred and sixty nine square metres (269sqm), an approximate two hundred and twenty nine square metres (229 sqm) of which constitute the built-up area and forty square metres (40 sqm) the external area being the first apartment from the left hand side on this floor level when the Tower is viewed from the North;
 - Apartment internally numbered three one zero two (3102) in aggregate measuring approximately one hundred and thirty five square metres (135sqm), an approximate one hundred and fifteen square metres (115sqm) of which constitute the built-up area and twenty square metres (20sqm) the external area and being the second apartment from the right hand side on this floor level when the Tower is viewed from the South;
 - Apartment internally numbered three one zero four (3104) previously divided into two apartments internally numbered three one zero four (3104) and three one zero five (3105) in aggregate measuring approximately one hundred and twenty seven square metres (127sqm), an approximate one hundred and seven square metres (107 sqm) of which constitute the built-up area and twenty square metres (20sqm) the external area being the second apartment from the right hand side on this floor level when the Block is viewed from the North.

This restructuring of the security was deemed sensible by the Company in view of the changes in development and planned uses of different components within the Project as well as the revaluations of the various elements constituting the Security Property, as referred to above. However, as can be seen from the above-mentioned valuation report accessible on the Issuer's website, the restructure of the security does not impact the overall value of the security granted in respect of the Bonds and the New Security in respect of each series of Bonds adequately covers the payment obligations of the Company under the respective series of Bonds.

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The New Security is being held in trust by the Security Trustee for the benefit of the respective Bondholders.

A handwritten signature in blue ink, appearing to read 'Joseph Saliba'.

Joseph Saliba
Company Secretary

19th July 2024

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