SUMMARY NOTE

This Summary Note is issued in accordance with the provisions of Commission Regulation (EU) No. 2017/1129 of 14 June 2017 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 (the **"Prospectus Regulation"**) and the delegated acts issued thereunder.

Dated 22 November 2019

in respect of an issue of up to €25,000,000 Unsecured Bonds
of a nominal value of €100 per Bond issued at par by

AX Group p.l.c.

in any one or a combination of the following series:

3.25% 2026 Unsecured Bonds
of a nominal value of €100 per Bond,
issued at par (the **"Series I Bonds"**)

ISIN:- MT0002361203

3.75% 2029 Unsecured Bonds
of a nominal value of €100 per Bond,
issued at par (the **"Series II Bonds"**)

ISIN:- MT0002361211

Sponsor

CHARTS – Wealth Management • Corporate Broking – A division of MeDirect Bank (Malta) plc

Manager & Registrar

BOV Bank of Valletta

Legal Counsel

Camilleri Preziosi Advocates

THIS SUMMARY NOTE HAS BEEN APPROVED BY THE LISTING AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE LISTING AUTHORITY HAS AUTHORISED THIS SUMMARY NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE QUALITY OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY NOTE.

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

Approved by the Directors

Angelo Xuereb

Michael Warrington

signing in their own capacity as directors of the Issuer and on behalf of each of Claire Zammit Xuereb, Denise Micallef Xuereb, Christopher Paris, John Soler and Josef Formosa Gauci as their duly appointed agents

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

1. INTRODUCTION AND WARNINGS

This Summary Note contains key information on the Issuer and the Bonds, summarised details of which are set out below:

Issuer	AX Group p.l.c., a public limited liability company registered under the laws of Malta (and, formerly, a private limited liability company incorporated under the name 'Fulcrum Services Limited'), with company registration number C 12271 and having its registered office at AX House, Mosta Road, Lija LJA 9010, Malta.
Address	AX House, Mosta Road, Lija LJA 9010, Malta.
Telephone number	+356 2331 2345
LEI Number	213800ZQHNATYCTNN592
Website	https://www.axgroup.mt
Nature of the securities	The unsecured bonds 2026, of a nominal value of €100 per bond, redeemable at their nominal value on 20 December 2026, bearing interest at the rate of 3.25% per annum (the **"Series I Bonds"**) and the unsecured bonds 2029, of a nominal value of €100 per bond, redeemable at their nominal value on 20 December 2029, bearing interest at the rate of 3.75% per annum (the **"Series II Bonds"**).
ISIN	Series I Bonds – MT0002361203 and Series II Bonds – MT0002361211.
Details of the competent authority approving the prospectus	The Board of Governors of the MFSA, appointed as Listing Authority for the purposes of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta).
Address, telephone number and official website of the competent authority approving the prospectus	The Listing Authority, Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara, Malta, CBD 1010. The telephone number of the competent authority is +356 2144 1155. The official website of the competent authority is https://www.mfsa.mt/
Prospectus approval date	22 November 2019.

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 securities should be based on 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 such securities.

2. KEY INFORMATION ON THE ISSUER

2.1. WHO IS THE ISSUER OF THE SECURITIES?

2.1.1. Domicile and legal form, its LEI and country of incorporation

The Issuer is AX Group p.l.c., a public limited liability company registered in terms of the Companies Act (Cap. 386 of the laws of Malta), having company registration number C 12271 and its registered office at AX House, Mosta Road, Lija LJA 9010, Malta. The Issuer was incorporated and is domiciled in Malta. Its LEI number is 213800ZQHNATYCTNN592.

2.1.2. Principal activities of the Issuer

The AX Group has a diversified business portfolio with activities including hospitality, health care, property development and construction (including restoration). The Issuer acts as the ultimate holding company of the AX Group and does not itself carry on any trading activities other than for the purpose of funding the Group as and when the demands of its business so requires, and accordingly is economically dependent on the Subsidiaries.

2.1.3. *Major shareholders of the Issuer*

The Issuer is owned by Angelo Xuereb (494652 (M)) as to 55% of its shareholding, and by Richard Xuereb (295275 (M)), DX Holdings Limited (C 81361) and The Lotus Co Ltd (C 81360), each as to 15% of its shareholding.

Subject to approval from the relevant authorities to undertake the development of the Verdala Site, the Issuer, in furtherance of its strategic objectives, is intent on issuing a further €50,000,000 in bonds having a nominal value of €100 per bond (the **"Tranche II Bonds"**), the majority of the aggregate proceeds of which are earmarked by the Group to be used by the Issuer for the purposes of financing the development of the Verdala Site.

Simultaneously with the issuance of the Tranche II Bonds, and therefore also subject to and following the issuance of a final full development permit for the development of the Verdala Site, the existing shareholders of the Issuer are minded, as at the date of the Prospectus, to launch an offer to the public for a proportion of their shareholding, pursuant to an application for admissibility to listing on the Official List of the Malta Stock Exchange of the entire issued share capital of the Issuer. Such offer is currently intended to amount to 25% of the entire issued share capital of the Issuer as at the date of such offer (the **"Share Offer"**), in the following proportions: Angelo Xuereb, as to 4%; Richard Xuereb, as to 15%; DX Holdings Limited, as to 3%; and The Lotus Co Ltd, as to 3%.

As at the date hereof, the above shareholders' intention is for a significant part of the proceeds of the Share Offer to be reinvested in the Issuer by way of subscription for the majority of the Tranche II Bonds. The remaining Tranche II Bonds will be offered to the general public. Following completion of the proposed Share Offer, Angelo Xuereb would retain 51% of the issued share capital of, and will continue to exercise control over, the Issuer.

2.1.4. *Key managing directors of the Issuer*

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following persons: Angelo Xuereb (Executive Director and Chairman); Michael Warrington (Executive Director and Chief Executive Officer); Claire Zammit Xuereb (Executive Director); Denise Micallef Xuereb (Executive Director); Christopher Paris (Independent Non-Executive Director); John Soler (Independent Non-Executive Director); and Josef Formosa Gauci (Independent Non-Executive Director).

2.1.5. *Statutory auditors of the Issuer*

Nexia BT, of The Penthouse, Suite 2, Capital Business Centre, Entrance C, Triq Taz-Zwejt, San Gwann SGN 3000, Malta, have audited the annual statutory consolidated financial statements of the Issuer for the financial years ended 31 October 2016, 2017 and 2018. Nexia BT 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).

2.2. WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

The key financial information regarding the Issuer on a consolidated basis is set out below:

AX GROUP P.L.C. (FORMERLY FULCRUM SERVICES LIMITED)
INCOME STATEMENT

	31 Oct'18 €'000	31 Oct'17 (restated) €'000	31 Oct'16 €'000	Interim (30 Apr'19) €'000	Interim (30 Apr'18) €'000
Revenue (including other operating income)	56,775	46,157	38,061	22,059	21,024
EBITDA	20,943	15,364	12,664	3,797	3,510
Net profit (loss)	30,954	11,711	4,031	(1,846)	(1,596)

AX GROUP P.L.C. (FORMERLY FULCRUM SERVICES LIMITED)
BALANCE SHEET

	31 Oct'18 €'000	31 Oct'17 (restated) €'000	31 Oct'16 €'000	Interim (30 Apr'19) €'000
Total assets	323,534	284,976	271,530	314,363
Total equity	212,749	172,486	164,679	206,924
Net financial debt	49,216	60,504	63,575	53,741

AX GROUP P.L.C. (FORMERLY FULCRUM SERVICES LIMITED)
CASH FLOW STATEMENT

	31 Oct'18 €'000	31 Oct'17 (restated) €'000	31 Oct'16 €'000	Interim (30 Apr'19) €'000	Interim (30 Apr'18) €'000
Net cash from operating activities	15,164	17,515	17,564	3,894	977
Net cash from investing activities	(4,890)	(12,084)	(16,853)	(5,015)	(2,302)
Net cash from financing activities	(10,190)	(4,815)	2,708	(4,900)	(3,659)

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

The most material risk factors specific to the Issuer which may negatively impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, are set out below:

Most material risks relating to the Group's hospitality business

2.3.1. The Group is subject to certain risks common to the hospitality industry, elements of which are beyond its control
The Group's hospitality operations are subject to a number of external factors that could adversely affect the Group's business, many of which are common to the hospitality industry and beyond the Group's control, the impact of one or more of which may cause a reduction in the income generated from the Group's hospitality division, which would have a material adverse effect on the Group's business, financial condition and results of operations.

2.3.2. Risks associated with the food and beverage industry
Adverse changes in any or more of risk factors that affect the food and beverage industry, to which the Group's hospitality business is also subject, could reduce income generated at the Group's catering establishments or activities, impose limits on pricing or cause the Group to incur additional expenditure in modifying its concepts or establishments, any or all of which outcomes could adversely affect the Group's business and the results of its operations.

Most material risks relating to the Group's property development business

2.3.3. Risks specific to property development
Property development projects are subject to a number of specific risks, including: the risk of cost overruns; the risk of insufficiency of resources to complete development projects as planned; the risk of rental or sales transactions not being effected at the prices and within the timeframes envisaged; delays or refusals in obtaining the required governmental permits and authorisations; and high levels of activity in the sector which could place a strain on the availability of human and other capital resources required to undertake and complete the development projects. Any of such factors could have a material adverse effect on the Group's business, financial condition and results of operations.

2.3.4. Risks arising from reliance on third-party contractors and sub-contractors
For the timely completion of its property development projects, the Group places a certain reliance on counterparties who may fail to perform or may default on their obligations towards the Group due to reasons which are beyond the Group's control. The resulting development delays in completion could have an adverse effect on the Group's competitive positioning in the property development market.

2.3.5. Risks associated with ability to obtain necessary planning and development permits
Securing planning consents by the competent planning and environment authorities in a timely manner is of key importance to the Group's property development business. There can be no certainty that any given application will result in planning consent being granted, or that if granted, will not be on unduly onerous terms, which may materially affect the Group's business.

In particular, as at the date of this Summary Note, the application in respect of the development permit of the Verdala Site is currently at outline application stage. If the application were to be rejected by the Planning Authority, or if the permit were to be granted only in part or otherwise subject to onerous conditions, the Group's operations, financial position and financial performance may be adversely affected.

Media publicity, opposition to the Group's proposed developments, and, or appeals lodged against the Group's applications for planning and development permits may also cause, or oblige, the Group to adjust development plans on any pending or future projects, which adjustments may result in a combination of increased development costs and, or reduced revenues estimated to be generated from its development projects.

2.3.6. Risks associated with property valuations and net realisable value
The valuation of property is intrinsically subjective and based on a number of assumptions at a given point in time which ultimately may cause eventual actual market values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends.

2.3.7. The Group may not realise the benefits it expects from property investments
The Group has made, and expects to continue making, significant investments in the acquisition, development and improvement of its existing and new properties. The Group is susceptible to experiencing cost over-runs relating to unanticipated delays and liabilities associated with property under development. If these risks were to materialise, the Group may not realise the benefits it expects from property investments and its business, financial condition and results of operations may be adversely affected.

Most material risk relating to the Group's construction business

2.3.8. Risks specific to the construction industry including, in particular, the risk of injury or fatality and exposure to liability and reputational damage

Construction projects are generally subject to a number of specific risks inherent in the property development industry. If these risks were to materialise, they could have a material adverse impact on the Group's revenue generation, cash flows and financial performance. Furthermore, any failure in health and safety performance may result in penalties for non-compliance with the relevant regulatory requirements and, or in a major or significant health and safety incident, which may be costly in terms of potential liabilities, as well as the generation of adverse publicity having a negative impact on the Group's reputation.

Most material risk relating to the Group's healthcare business

2.3.9. Risks associated with the healthcare industry

Through the management and operation of the Hilltop Gardens Care Home & Residences, the Simblija Care Home, and the Revive Physiotherapy and Hydrotherapy Centre, the Group is subject to general risks inherent in the provision of accommodation and care for elderly persons, one or more of which may adversely affect the business, results of operations and financial condition of the Group.

Most material risk relating to the Group's financing and investment business

2.3.10. The Group may not be able to secure sufficient project financing

The Group may not be able to obtain the capital it requires for the continued operation of its business and investments on commercially reasonable terms, or at all. In addition, the Group may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets. Failure to obtain the capital required to complete current or future development and improvement projects on commercially reasonable terms may limit the Group's growth and adversely affect its business, financial condition, results of operations and prospects.

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 €25,000,000, comprised of any one or a combination of Series I Bonds (the unsecured bonds 2026, of a nominal value of €100 per bond, redeemable at their nominal value on 20 December 2026, bearing interest at the rate of 3.25% per annum); and, or Series II Bonds (the unsecured bonds 2029, of a nominal value of €100 per bond, redeemable at their nominal value on 20 December 2029, bearing interest at the rate of 3.75% per annum).

The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There are no special rights attached to the Bonds other than the right of the Bondholders to: (i) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds; (ii) payment of capital and interest in accordance with the ranking of the Bonds; and (iii) such other rights attached to the Bonds emanating from the Securities Note. The ISIN of the Bonds is: Series I Bonds – MT0002361203 and Series II Bonds – MT0002361211.

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) as follows: (i) the Series I Bonds, on 20 December 2026; and (ii) the Series II Bonds, on 20 December 2029.

The Bonds shall bear interest: (i) with respect to the Series I Bonds, from and including 20 December 2019 at the rate of 3.25% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 20 December 2020 (covering the period 20 December 2019 to 19 December 2020); and (ii) with respect to the Series II Bonds, from and including 20 December 2019 at the rate of 3.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, The first interest payment will be effected on 20 December 2020 (covering the period 20 December 2019 to 19 December 2020).

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of the Issuer present and future, if any. Furthermore, subject to the negative pledge covenant, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect. As at the date of this Summary Note, the Issuer does not have any subordinated indebtedness.

The Bonds are freely transferable.

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

The most material risk factors specific to the securities are set out below:

3.3.1. Status of the Bonds

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. This means that any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part.

Furthermore, subject to the negative pledge covenant being given by the Issuer, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect, which registration may further impede the ability of the Bondholders to recover their investment upon enforcement of such security interests, whether in full or in part.

3.3.2. Future public offers

Reference should be made to section 2.1.3 above. No prediction can be made about the effect which any future public offerings of the Issuer's securities (including but not limited to the effects arising out of a change in the cash flow requirements of the Issuer or other commitments of the Issuer *vis-à-vis* the new security holders), or any takeover or merger activity involving the Issuer (including but not limited to a de-listing, in full or in part, of the Bonds), will have on the market price of the Bonds prevailing from time to time.

3.3.3. Suitability

An investment in Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment advisor licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision.

3.3.4. Fixed interest rate

The Bonds shall carry fixed interest rates. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

3.3.5. Amendments to the Terms and Conditions of the Bonds

In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds, it shall call a meeting of Bondholders. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

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

The Bonds are open for subscription by all categories of investors, which may be broadly split as follows: (i) Preferred Applicants (as described in the Prospectus but broadly referring to: holders, as at the Cut-Off Date (that is the 14 November 2019 with last trading date being 12 November 2019), of debt securities issued by AX Investments p.l.c.; and employees and directors of any company forming part of the AX Group as at 14 November 2019), up to the total aggregate amount of the Bonds; and (ii) the Authorised Financial Intermediaries which shall be entitled to subscribe for the Bonds through an Intermediaries' Offer, for their own account or on account of their underlying clients, up to the balance, if any, of the Bonds not subscribed for by the Preferred Applicants. In each case, subscription amounts shall be in multiples of €100, subject to a minimum initial subscription of €2,000 with respect to Series I Bonds and €10,000 with respect to Series II Bonds (such minimum amounts for each respective Series shall also apply in the case of subscriptions by Authorised Financial Intermediaries on account of their underlying customers, for each underlying application (and in multiples of €100 thereafter).

Preferred Applicants may subscribe for Series I Bonds by completing Application Form 'Series I', and for Series II Bonds by completing Application Form 'Series II'. Such Application Forms may be submitted to any Authorised Financial Intermediary by latest 14:00 hours on 12 December 2019 or such earlier date as may be determined by the Issuer. In the eventuality that the Intermediaries' Offer takes place, other investors may subscribe for Series I Bonds and, or Series II Bonds through any Authorised Financial Intermediary. Authorised Financial Intermediaries need to submit completed subscription agreements, indicating the number of Bonds they are interested to subscribe for in the respective Series of Bonds, by latest 14:00 hours on 18 December 2019.

The allotment of Bonds in favour of successful Applicants is conditional upon the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official list of the MSE, any application monies received by the Issuer will be returned, without interest, by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form.

The expenses pertaining to the Bond Issue are estimated not to exceed €500,000 and shall be deducted entirely from the proceeds of the Bond Issue. Accordingly, such expenses shall be borne exclusively by the Company.

Allocation policy

The Issuer shall allocate the Bonds on the basis of the following policy:

i. A maximum amount of up to €25,000,000 in Bonds shall be first allocated to the Preferred Applicants, in accordance with an allocation policy as determined by the Issuer (acting through the Registrar). It is the intention of the Issuer to split the Bonds into €15,000,000 Series I Bonds and €10,000,000 Series II Bonds. Preferred Applicants may indicate the amount of Series I and, or Series II Bonds they wish to apply for. In the event that Applications from Preferred Applicants in any one of the Series exceed the respective intended threshold indicated above, but there remain unallocated Bonds in the other Series, the Issuer (acting through the Registrar) shall, to the extent possible, allocate such remaining Bonds to those Applicants that have indicated on the respective Application Form (by ticking the appropriate box in Panel D) their willingness to have the excess utilised for the subscription for Bonds of the other Series of Bonds.

   If following application of the mechanism specified in the preceding paragraph, Applications from Preferred Applicants exceed the amount available for subscription, the Issuer (acting through the Registrar) shall scale down Applications in accordance with its allocation policy and the subscription monies of any unsatisfied Applications, or part thereof, shall be returned by direct credit transfer to the account number indicated on the respective Application Form within five (5) Business Days from the announcement of the basis of acceptance.

ii. Any balance of the Bonds not subscribed for by Preferred Applicants shall be made available for subscription by Authorised Financial Intermediaries who have submitted a subscription agreement through an Intermediaries' Offer. Authorised Financial Intermediaries may apply for their own account or on account of their underlying customers. In the event that the subscription amounts represented by the subscription agreements received exceed the amount available for subscription in terms of this point (ii), the Issuer (acting through the Registrar) shall scale down each subscription agreement in accordance with its allocation policy and the subscription monies of any unsatisfied subscription agreements, or part thereof, shall be returned by direct credit transfer to the respective Authorised Financial Intermediary to the account number indicated on the respective subscription agreement, by latest 20 December 2019.

Notwithstanding the Issuer's intention to split the Bonds in the amount of €15,000,000 Series I Bonds and €10,000,000 Series II Bonds, the Issuer reserves the right to allocate the Bonds in any one or a combination of Series I Bonds and Series II Bonds, which allocation will be determined at the sole discretion of the Board of Directors of the Issuer. The Issuer shall announce the result of the Bond Issue through a company announcement by not later than 20 December 2019.

Expected timetable

1	Application Forms mailed to AXI Bondholders	26 November 2019
2	Application Forms available to AX Group Employees	29 November 2019
3	Closing of Offer Period (at 14:00 hours)	12 December 2019
4	Intermediaries' Offer*	18 December 2019
5	Commencement of interest on the Bonds	20 December 2019
6	Announcement of basis of acceptance	20 December 2019
7	Refund of unallocated monies (if any)	6 January 2020
8	Dispatch of allotment advices	6 January 2020
9	Expected date of admission of the Bonds to listing	6 January 2020
10	Expected date of commencement of trading in the Bonds	7 January 2020

The Issuer reserves the right to close the Offer Period before 12 December 2019, in which case the events set out in 6 to 10 above will be brought forward, although the number of working days between the respective events will not be altered.

** In the event that the total value of Applications received from Preferred Applicants exceeds €25,000,000, the Intermediaries' Offer will not take place.*

4.2. WHY IS THIS PROSPECTUS BEING PRODUCED?

The aggregate proceeds from the Bond Issue, which net of expenses are expected to amount to approximately €24,500,000, will be used by the Issuer for the following purposes (paragraphs 4.2.1 – 4.2.4 together hereinafter referred to as the **"Intended Uses"**):

4.2.1. the amount of *circa* €7,000,000 will be used to part finance the acquisition of land situated in *'Tas-Sienja'*, Marsa earmarked for development into a mixed residential, office and commercial complex;

4.2.2. the amount of up to €9,000,000 will be used to part finance the Group's acquisition and development of *'41, Merchant Street'* situated in Valletta;

4.2.3. the amount of up to €4,500,000, together with any amounts not utilised in accordance with paragraph 4.2.1 and, or paragraph 4.2.2 above, will be used for the part refinancing of existing banking facilities of the Group; and

4.2.4. the amount of up to €4,000,000, together with any residual amounts not utilised in accordance with paragraphs 4.2.1 to 4.2.3 above, if any, will be used for general corporate funding purposes of the Group.

In the unlikely event that the acquisition of the lands situated in *'Tas-Sienja'*, Marsa *and '41, Merchant Street'*, Valletta were not to materialise, the Issuer undertakes to utilise the funds earmarked for the said purposes for either or both of the following uses (the **"Alternative Uses"**, each an **"Alternative Use"**), as may be determined by the Issuer:

4.2.5. the part refinancing of existing banking facilities of the Group granted by Bank of Valletta p.l.c. (C 2833) to each of Central Leisure Developments Limited (C 25774) and Palazzo Merkanti Leisure Limited (C 76080); and, or

4.2.6. the part financing of key developments which the Group is presently committed to.

For the purposes of paragraphs 4.2.1 to 4.2.6 above, a loan agreement has been entered into on 8 November 2019 by and between the Issuer (as lender) and AX Holdings Limited (as borrower). AX Holdings Limited (as lender) shall in turn be entering into loan agreements with selected Subsidiaries for such Subsidiaries to deploy the proceeds from the Bond Issue in the manner indicated in this section 4.2.

In the event that the Series I Bonds and, or the Series II Bonds are not fully subscribed, the Issuer will proceed with the listing of the amount of Series I Bonds and, or Series II Bonds (as applicable) actually subscribed for. Accordingly, the Issuer shall apply the net proceeds from the Bond Issue in the manner and order of priority set out above (where necessary applying the re-allocation of proceeds to the Alternative Uses), and any residual amounts required by the Issuer for the purposes of the Intended Uses which shall not have been raised through the Bond Issue, shall be financed from the Group's general cash flow.

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