

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with Commission Regulation (EC) No 809/2004 of the 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements as duly amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation 862/2012 of 4 June 2012, Commission Delegated Regulation 621/2013 of 21 March 2013, Commission Delegated Regulation (EU) No 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) 2015/1604 of 12 June 2015 and Commission Delegated Regulation (EU) 2016/301 of 30 November 2015.

SECURITIES NOTE

Dated 3rd June 2019

Issue of €20,000,000 3.75% Secured Bonds 2029 by



TUM FINANCE PLC

A public limited liability company registered in Malta with company registration number C 91228

jointly and severally guaranteed and secured by Easysell Limited a private limited liability company registered in Malta with company registration number C 9778

ISIN MT0002271204

Prospective investors are to refer to the Guarantee contained in Annex 1 of the Securities Note and section 1 of the Registration Document for a description of the Guarantee. Reference should also be made to the section entitled 'Risk Factors' contained in this Registration Document and the Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bond Issue and the Guarantee

Legal Advisors



Sponsor & Registrar



Manager



This Securities Note is issued pursuant to the requirements of the Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being issued by Tum Finance plc. Application has been made for the admission to listing and trading of the Bonds on the official list of the Malta Stock Exchange. The Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE BONDS AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT. THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS 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 THESE SECURITIES. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE BONDS OF THE 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 Board of Directors of Tum Finance plc

Handwritten signature of Anthony Fenech in black ink.

Anthony
Fenech

Handwritten signature of Silvan Fenech in black ink.

Silvan
Fenech

Handwritten signature of Matthew Fenech in black ink.

Matthew
Fenech

Handwritten signature of Stanley Portelli in black ink.

Stanley
Portelli

Handwritten signature of Mario Vella in black ink.

Mario
Vella

Handwritten signature of William Wait in black ink.

William
Wait

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON TUM FINANCE PLC IN ITS CAPACITY AS ISSUER (THE 'ISSUER') OF €20,000,000 SECURED BONDS OF A NOMINAL VALUE OF €100 PER BOND, ISSUED AT PAR AND BEARING INTEREST AT 3.75% PER ANNUM, PAYABLE ANNUALLY ON 27TH JUNE OF EACH YEAR (THE 'BONDS'). THE ISSUER SHALL REDEEM THE BONDS ON SUCH DATE IN 2029 UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION.

THIS SECURITIES NOTE CONTAINS INFORMATION ABOUT THE ISSUER, EASSELLIMITED AS GUARANTOR (THE 'GUARANTOR') AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

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

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF AN OFFER OR INVITATION TO SUBSCRIBE FOR THE BONDS: BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING THE OFFER OR INVITATION IS NOT QUALIFIED TO DO SO, OR 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 PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR THE BONDS ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR THE BONDS TO BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE. SAVE THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS 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. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION APPLIES ARTICLE 3.2 OF THE SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO 'QUALIFIED INVESTORS' (AS DEFINED IN THE SAID DIRECTIVE') AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE. A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT.

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

ALL THE ADVISORS TO THE ISSUER AND THE GUARANTOR NAMED IN THE REGISTRATION DOCUMENT IN SECTION 3.2 UNDER THE HEADING 'ADVISORS' HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR, AS THE CASE MAY BE, IN RELATION TO THIS PUBLIC OFFER 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 CONTENTS OF ANY WEBSITE OF ISSUER OR GUARANTOR OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO ISSUER OR GUARANTOR DO NOT FORM PART OF THIS PROSPECTUS. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

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

TABLE OF CONTENTS

1. DEFINITIONS	4
2. RISK FACTORS	6
2.1 <i>General Risk Factors</i>	6
2.2 <i>Risk Factors Specific to the Bonds</i>	7
3. RESPONSIBILITIES	9
3.1 <i>Issuer’s Responsibility for the Securities Note</i>	9
3.2 <i>Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries</i>	9
4. KEY INFORMATION ABOUT THE BOND ISSUE	10
4.1 <i>Reasons for the Offer, and Use of Proceeds</i>	10
4.2 <i>Expected Time Table of the Bond Issue</i>	12
4.3 <i>Offer Statistics</i>	13
4.4 <i>Interest of Natural/Legal Persons involved in the Issue</i>	13
4.5 <i>Conditions of the Bonds</i>	13
4.6 <i>Proceeds for Payment to Subsidiaries and Creation of Security</i>	21
4.7 <i>Guarantee and Security</i>	22
4.8 <i>Undertakings by an Applicant for the Bonds</i>	22
4.9 <i>Data Protection</i>	24
5. TAXATION	25
5.1 <i>General</i>	25
5.2 <i>Malta Tax on Interest</i>	25
5.3 <i>Exchange of Information</i>	26
5.4 <i>Maltese Taxation on Capital Gains on Transfer of the Bonds</i>	26
5.5 <i>Duty on Documents and transfers</i>	26
6. PLAN FOR DISTRIBUTION AND RELATED MATTERS	26
6.1 <i>Subscription and Sale</i>	26
6.2 <i>Sale in Territories other than the Islands of Malta</i>	26
7. EXPERTS AND ADVISERS	27
7.1 <i>Statement of Experts</i>	27
7.2 <i>Advisers</i>	27
ANNEX 1 - GUARANTEE	28
ANNEX 2 - APPLICATION FORM	32
ANNEX 3 – AUTHORISED FINANCIAL INTERMEDIARIES	34
ANNEX 4 - FINANCIAL ANALYSIS SUMMARY	35

1. DEFINITIONS

Words and expressions and capitalized terms used in this Securities Note shall, except where the context otherwise requires, have the same meaning given to them in the Registration Document. Otherwise, unless the context otherwise requires, the following capitalized terms shall have the following meanings:-

‘Act’	the Companies Act, Chapter 386 of the Laws of Malta;
‘Applicant’	the applicant applying for the issue and allotment of the Bonds in its favour;
‘Application Form’	the application form to be completed by an Applicant for the Bonds, a specimen of which is attached to the Securities Note as Annex 2;
‘Business Day’	a day (other than a Saturday, Sunday or public holiday) in Malta;
‘Change of Control’	occurs when a person or persons acting together, acquire control of the Issuer or the Subsidiaries’ Holding or any one of the Subsidiaries, where control means (i) the acquisition or control of more than fifty per cent of the shares carrying voting rights; or (ii) the right to appoint and/or remove all or the majority of the members of the board of directors of the Issuer or the Subsidiaries’ Holding and/or the Subsidiaries, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights in the company, contract or otherwise;
‘Change of Control Notice’	has the meaning assigned to it in section 4.5.13 under the heading ‘Change of Control Event’;
‘Change of Control Period’	thirty (30) days following the date on which a Change of Control Notice is given to Bond Holders as required pursuant to section 4.5.13 under the heading ‘Change of Control Event’;
‘Change of Control Put Date’	shall be the date falling one hundred and eighty (180) days after the expiry of the Change of Control Period;
‘Change of Put Exercise Notice’	has the meaning assigned to it in section 4.5.14 under the heading ‘Redemption, Purchase and Cancellation’;
‘Closing Date’	date from which interest starts to run/end of Offer Period;
‘Conditions’	means the terms and conditions set out in section 4.5 under the heading ‘Conditions of the Bonds’;
‘CSD’	Central Securities Depository of the Exchange regulated pursuant to the Financial Markets Act (Chapter 345 of the laws of Malta) having its address at Garrison Chapel, Castille Place, Valletta VLT 1063;
‘Event of Default’	any event of default referred to in section 4.5.18 under the heading ‘Event of Default’;
‘Force Majeure’	an event or circumstance which is beyond the control and without the fault or negligence of the Issuer and/or Guarantor and which by the exercise of reasonable diligence the party affected was unable to prevent;
‘GDPR’	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) as the same may be duly amended from time to time;
‘Indebtedness’	means any present or future indebtedness (whether being principal, interest or other amounts but excluding any indebtedness owed to another member of the Group or to the Parent Company);
‘Interest Payment Date’	means the 27 th June of each year up to Maturity Date;
‘Interest Period’	the period beginning on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Payment Date;
‘Issuer’s Loan’	the loan of thirteen million two hundred and fifty thousand Euro (€13,250,000) that the Issuer shall grant from the proceeds of the Bond Issue to the Subsidiaries’ Holding pursuant to a loan agreement dated 3 rd June 2019 which loan shall be subject to those terms and conditions contained therein, a summary of which is referred to in section 4.1.1. under the heading ‘Main Proceeds’;
‘Maturity Date’	27 th June 2029;
‘Record Date’	fifteen (15) Business Days in Malta before the due date for relevant payment;

'Regulation'

Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements as amended from time to time.

'Subscription Agreement'

means the agreement concluded by the Issuer with each of the Sponsor and the Manager dated 3rd June 2019 wherein each of the Sponsor and the Manager have agreed to subscribe or procure subscribers for the Bonds at their nominal value.

Unless otherwise appearing from the context:-

- a. Words importing the singular shall include the plural and vice-versa;
- b. Words importing the masculine gender shall include the feminine gender and vice-versa;
- c. The word 'may' shall be construed as permissive and the word 'shall' shall be construed as imperative.

2. RISK FACTORS

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY ON THE MATURITY DATE UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND CANCELLED.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW AND IN THE REGISTRATION DOCUMENT. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE RISK FACTORS CONTAINED IN THE PROSPECTUS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

THE ORDER IN WHICH THE INDIVIDUAL RISKS ARE PRESENTED BELOW IS NOT INTENDED TO PROVIDE AN INDICATION OF THE LIKELIHOOD NOR THE SEVERITY OR SIGNIFICANCE OF INDIVIDUAL RISKS.

NEITHER THIS PROSPECTUS NOR ANY OTHER INFORMATION CONTAINED HEREIN OR SUPPLIED IN CONNECTION WITH THE BONDS ISSUED BY THE ISSUER IS (I) INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR ANY AUTHORISED FINANCIAL INTERMEDIARY THAT ANY RECIPIENT OF THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 General Risk Factors

2.1.1 Forward Looking Statements

This Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as 'anticipates', 'believes', 'estimates', 'expects', 'intends', 'may', 'plans', 'projects', 'will', 'would' or similar words. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Group's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. No assurance is given that the future results or expectations will be achieved.

2.1.2 Suitability of Investments

Each potential investor of the Bonds must determine the suitability of his investment in the light of his own circumstances. The Bonds may not be a suitable investment for all investors.

Prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act (Chapter 370 of the Laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular such advice should be sought with a view to ascertaining that each prospective investor:

- a. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- b. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- c. understands thoroughly the terms of the Bonds and is familiar with the behavior of any relevant indices and financial markets; and
- d. is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear applicable risks.

2.2 Risk Factors Specific to the Bonds

2.2.1 Liquidity of the Bond Market

A liquid market for the Bonds may not develop, or if it does, it may not continue. Application has been made to the Exchange and to trading on its regulated market. The fact that the Bonds are listed will not necessarily lead to greater liquidity. In an illiquid market, an investor is subject to the risk that it will not be able to sell the Bonds at any time at fair market prices.

2.2.2 Redemption Before Maturity

If the Bonds are redeemed prior to Maturity Date, an investor is exposed to the risk of a lower yield than expected.

2.2.3 Dependence of Market Price on Various External Factors

The development of the market price of the Bonds will depend on various factors, including but not limited to changes of market interest rate levels, overall economic developments, inflation rates, the lack of demand for the Bonds, etc. Bond Holders are therefore exposed to the risk of an unfavourable development of the market price of their Bonds which will affect the Bond Holders if they sell the Bonds prior to Maturity Date. If a Bond Holder decides to hold the Bonds until Maturity Date, the Bonds will be redeemed at the amount set out in this Securities Note.

2.2.4 Creditworthiness of the Group

If any of the risks regarding the Issuer and the Group materialize, the likelihood that the Issuer will be in a position to fully perform all obligations under the Bonds when they fall due decreases, and therefore the market value of the Bonds may suffer. In addition, even if the Issuer is able to fully perform all obligations under the Bonds when they fall due, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Group could adversely change. If any of these risks occur, third parties may only be willing to purchase the Bonds at a lower price than before the materialization of said risk. Such circumstances may cause the value of the Bonds to decrease.

2.2.5 Independent Credit Rating

The Issuer has not sought, neither does it intend to seek the credit rating of an independent agency, and there has been no assessment by any independent rating agency of the Bonds.

2.2.6 Currency Risk

The Bonds are denominated in Euro. If such currency represents a foreign currency to a Bond Holder, such Bond Holder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Bonds. In addition, government and monetary authorities may impose exchange controls that could adversely affect an applicable currency exchange rate. As a result, Bond Holders may receive less interest or principal than expected, or no interest or principal at all.

2.2.7 Market Value of the Bonds Dependent on Market Interest Rates

The Bonds have a fixed rate of interest which carries the risk that the prices of the Bonds can fall as a result of changes in the interest rate on the market. If the nominal interest rate of a security is fixed for the entire duration of such security, the current interest rate on the capital markets typically changes on a daily basis. As the market interest rate changes, the price of a security with a fixed interest rate also changes, but in the opposite direction. If the market interest rate increases, the price of a security with a fixed interest rate typically falls until the yield of such security approximately equals the market interest rate. If the market interest rate decreases, the price of a fixed interest rate security typically increases, until the yield of such security is approximately equal to the market interest rate. If the Bond Holder holds the Bonds until Maturity Date and the interest rate does not change, changes of the market interest rate will be irrelevant as the Bonds will be redeemed at a fixed redemption amount.

2.2.8 Changes in Circumstances

No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time. If such changes take place, they could have an adverse effect on the market price for the Bonds.

2.2.9 Subsidiaries' Inability to Generate Sufficient Cash Flows

The Issuer's ability to make scheduled payments on, or to refinance its obligations with respect to its indebtedness, including the Bonds, will depend on its Subsidiaries' financial and operating performance, which in turn will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond its control. If the Subsidiaries are unable to generate sufficient cashflow to satisfy the Issuer's debt obligations, the Issuer may have to undertake alternative financing plans, such as refinancing or restructuring its debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. Refinancing may not be possible, it may be difficult to sell any assets or, if assets are sold, lower than expected proceeds may be realised from those sales, or additional financing may not be able to be obtained in acceptable terms, if at all. The Subsidiaries' inability to generate sufficient cashflows to satisfy Issuer's debt obligations, or to refinance its indebtedness on commercially reasonable terms, would materially and adversely affect its financial condition and results of operations and its ability to satisfy its obligations under the Bonds.

2.2.10 Insufficient Proceeds

The Bonds will be secured by a first ranking special hypothec over the Secured Asset as part of the Security. The amount to be received upon an enforcement of the said special hypothec would be dependent on numerous factors affecting the value of the Secured Asset at the time of its enforcement. In the event of Guarantor's liquidation, bankruptcy or similar proceedings, the proceeds from the enforcement of the special hypothec over the Secured Asset may not be sufficient to repay the obligations under the Bonds.

The value of the Secured Asset in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. By its nature, portions of the Secured Asset may be illiquid and may have no readily realisable market value. In the event of a liquidation, bankruptcy or similar proceeding, the proceeds from any sale or liquidation of the Secured Asset may not be sufficient to pay the Issuer's obligations under the Bonds, and other *pari passu* claims.

2.2.11 No Direct Enforcement of the Guarantee or the Security

The Guarantee and the Security that will secure the obligations of the Issuer under the Bonds will not be directly granted to the Bond Holders but will be granted in favour of the Security Trustee. The Security Trust Deed provides that only the Security Trustee has the right to enforce the Guarantee and the Security. As a consequence Bond Holders will not have direct security interests and will not be entitled to take direct enforcement action in respect of the Guarantee and the Security. The Security Trust Deed provides that the Security Trustee may take enforcement action in its discretion if an Event of Default is continuing. The Security Trustee may take action to enforce the Guarantee and the Security at its discretion at any time after the Security has become enforceable, but shall not be bound to take action unless seventy five per cent (75%) in nominal value of the Bond Holders duly request, in which case the Security Trustee is bound to take action. Bond Holders are therefore dependent on third parties in order to be able to indirectly enforce the Guarantee and the Security.

2.2.12 Preferences at Law

Notwithstanding that the Security in relation to the Guarantor shall rank first over the Secured Asset, and shall rank with priority over present and future unsecured obligations of the Guarantor, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of the Guarantor which may rank with priority or preference to the Security.

2.2.13 Conditions to which the Bond Issue is Subject

The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the official list of the Exchange by no later than 28th June 2019 and on the Security being constituted in favour of the Security Trustee. In the event that either of the aforesaid conditions is not satisfied, the Security Trustee shall return the Bond Issue proceeds to the Bond Holders.

2.2.14 Changes to Conditions

In the event that the Issuer wishes to amend any Conditions it shall call a meeting of the Bond Holders in accordance with the provisions of section 4.5.24 of this Securities Note under the heading 'Meetings of Bond Holder, Modification & Waivers, Substitution'. Since the Bonds provide for meetings of Bond Holders where decisions are taken based on the vote of seventy five (75) % in nominal Value of the Bonds outstanding, a Bond Holder is subject to the risk of being outvoted by a majority resolution of the Bond Holders or being bound by a decision of a meeting that he elected not to attend. Such majority resolutions are binding on all Bond Holders. In addition, certain rights of Bond Holders against the Issuer or the Guarantor under the Conditions may be amended or reduced or even cancelled under such a resolution.

2.2.15 Change in Law

The Conditions of the Bonds are based on Maltese Law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in applicable law or administrative practice after the date of this Prospectus.

2.2.16 Discontinuation of Listing

Even after the Bonds are admitted to trading on the Exchange, the Issuer is required to remain in compliance with certain requirements relating *inter alia* to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. The Listing Authority also has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Bonds on the Exchange. Any such trading suspensions or listing revocations/discontinuations could have a material adverse effect on the liquidity and value of the Bonds.

3. RESPONSIBILITIES

3.1 Issuer's Responsibility for the Securities Note

This Securities Note includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information with regard to the Issuer and Guarantor. All of the Directors, whose names appear under the heading 'Directors of the Issuer' in section 3.1.1 of the Registration Document, accept responsibility for the information contained in the Securities Note.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in the Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

All representations and other statements made in the Prospectus are made by the Issuer, and the Directors take sole responsibility for all such representations and statements. The persons whose names appear under the heading 'Advisers' in section 3.2 of the Registration Prospectus have advised and assisted the Issuer and the Guarantor in the preparation of this Securities Note, but none make any representation or statements, unless otherwise expressly stated in the Prospectus, and each of them disclaims any responsibility for any representations and other statements made in the Prospectus.

The Issuer has authorized the Bond Issue by means of a resolution of its board of directors dated 26 March 2019.

3.2 Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries

The Issuer has entered into the Subscription Agreements with the Authorised Financial Intermediaries. It is the intention of such Authorised Financial Intermediaries to accept subscriptions for the Bonds from applicants up to Closing Date. For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries up to Closing Date, and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under EU Directive 2003/71/EC of the European Parliament and of the Council as regards information in prospectuses as well as

the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements as duly amended, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

- i. in respect of Bonds subscribed for through Authorised Financial Intermediaries up to the Closing Date;
- ii. to any resale or placement of Bonds taking place in Malta; and
- iii. to any resale or placement of Bonds taking place within the period of sixty (60) days from the date of the Prospectus.

None of the Issuer, the Sponsor, the Registrar or the Manager or any of their respective advisors take any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of Bonds.

Other than as set out above, none of the Issuer, the Sponsor, the Registrar or the Manager has authorised (nor do they authorise or consent to the use of this Prospectus in connection with) the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer, the Sponsor, the Registrar or the Manager and none of the Issuer, the Sponsor, the Registrar or the Manager has any responsibility or liability for the actions of any person making such offers.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, it should obtain legal advice.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer, the Sponsor, the Registrar or the Manager. The Issuer does not accept responsibility for any information not contained in the Prospectus.

In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary will provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made. Any resale, placement or other offering of Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and none of the Issuer, the Sponsor, the Registrar or the Manager has any responsibility or liability for such information.

Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement or other offering of Bonds subsequent to the Bond Issue shall, limitedly for the period of sixty (60) days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to Authorised Financial Intermediaries unknown at the time of approval of this Securities Note will be made available through a company announcement through the MSE which will also be made available on the Issuer's website www.tuminvest.com.

4. KEY INFORMATION ABOUT THE BOND ISSUE

4.1 Reasons for the Offer, and Use of Proceeds

4.1.1 Main Proceeds

The proceeds from the Bond Issue, amounting to twenty million Euro (€20,000,000), after deduction of fees and other expenses incurred in connection with the Bond Issue which are expected to be in the region of four hundred thousand Euro (€400,000), will be used as follows:-

- a. the Issuer will subscribe to the Preference Shares in the Subsidiaries' Holding. The exact amount of the Preference Shares will be determined following the Bond Issue and will be the amount of the Bond proceeds (that is twenty million Euro €20,000,000) less the amount of thirteen million two hundred and fifty thousand Euro (€13,250,000), which is the amount that will be granted on loan to Center Parc (see paragraph (b) below), less the costs of the Bond Issue, which are expected to be in the region of four hundred thousand Euro (€400,000). Depending on the actual costs of the Bond Issue, the capital to be invested as Preference Shares is expected to be in the region of six million three hundred and fifty thousand Euro (€6,350,000).

From the capital received by the Subsidiaries' Holding following the issuance and allotment of the Preference Shares (which as stated above is expected to be in the region of six million three hundred and fifty thousand Euro (€6,350,000), the Subsidiaries' Holding will grant on loan the sum of four million five hundred thousand Euro (€4,500,000) to the Guarantor for the purpose of repaying the Guarantor's Original Debt as well as financing any outstanding development costs relating to the Secured Asset for its completion;

The balance of proceeds received by the Subsidiaries' Holding through the issuance and allotment of the Preference Shares (following the grant of the loan to Guarantor as stated in the preceding paragraph) which is expected to be in the region of one thousand eight hundred and fifty thousand Euro (€1,850,000), shall be used by it as general working capital;

- b. the Issuer shall grant the Issuer's Loan to the Subsidiaries' Holding. The Subsidiaries' Holding will use the proceeds from the Issuer's Loan to grant the same amount, namely the sum of thirteen million two hundred and fifty thousand Euro (€13, 250, 000) on loan to Center Parc for the purpose of repaying Center Parc's Original Debt and to finance any development costs relating to the Center Parc Property.

As a result of the above, the Subsidiaries will settle all liabilities with the Bank as lender leaving the Guarantor's Property and the Center Parc Property free and unencumbered, save, in so far as concerns Guarantor's Property, a special privilege securing the ground rent over the Secured Asset.

The Security Trustee shall ensure that the proceeds of the Bond issue are utilised for the purposes aforementioned.

Interest on the Bond will be paid from the interest earned by the Issuer on the Preference Shares it holds in the Subsidiaries' Holding and on the Issuer's Loan. The principal on the Bonds shall likewise be repaid from the redemption of the Preference Shares and the repayment of the Issuer's Loan. These will in turn be funded from rental income generated by Center Parc which will be utilized by Center Parc to pay the loan granted to it by the Subsidiaries' Holding, and from rental income generated by the Guarantor which it will distribute as dividends in favour of the Subsidiaries' Holding as its sole shareholder.

- *Terms and Conditions of the Preference Shares*

The Preference Shares shall be issued and allotted to the Issuer subject to the following terms and conditions:-

- as fully paid up cumulative preference shares bearing a fixed annual dividend of 3.75 %;
- redeemable at par by the Subsidiaries' Holdings at any time but by not later than ten (10) years from their date of issue;
- capital and interest due on the Preference Shares in a winding up or otherwise shall be paid before all other shares in the Subsidiaries' Holding including preference shares subsequently issued, but shall not be eligible to participate in any surplus of its assets;
- they shall not confer a right to receive notice of or attend or vote at general meetings unless the fixed annual dividend payable on the Preference Shares is in arrears;
- all other applicable terms and conditions referred to in the memorandum and articles of association of the Subsidiaries' Holding.

As already stated above, the exact amount of the Preference Shares will be determined following the Bond Issue and will be the amount of the Bond proceeds less the amount of thirteen million two hundred and fifty thousand Euro (€13,250,000), which is the amount that will be granted on loan to Center Parc, less the costs of the Bond Issue, which are expected to be in the region of four hundred thousand Euro (€400,000). The capital to be invested as Preference Shares is expected to be in the region of six million three hundred and fifty thousand Euro (€6,350,000).

- *Terms and Conditions of Issuer's Loan*

The Issuer's Loan which shall be granted by the Issuer to the Subsidiaries' Holding shall be subject to the payment of interest at 3.75% per cent per annum. The principal amounting to seven million two hundred and fifty thousand Euro (€7,250,000) shall be repaid in equal installments over a nine (9) year period commencing from the first Interest Payment Date; the balance of the principal amounting to six million Euro (€6,000,000) shall be repaid in a lump sum payment one (1) week prior to Maturity Date.

- *Terms and Conditions of the Loans between the Subsidiaries' Holding as lender and the Subsidiaries as Borrowers*

The Subsidiaries' Holding (as lender) has in turn entered into two (2) separate loan agreements each dated 3rd June 2019 with the Guarantor and Center Parc respectively (as borrowers). The loans have been granted for the purposes referred to in section 4.1.1 under the heading 'Main Proceeds'.

The loan granted to the Guarantor as borrower by the Subsidiaries' Holding as lender, is interest free. The principal shall be repayable on demand and in any case not later than one (1) week prior to Maturity Date. The Guarantor shall repay the loan through dividend distributions.

Pursuant to the loan agreement concluded with Center Parc as borrower and the Subsidiaries' Holding as lender, Center Parc shall pay the Subsidiaries' Holding, interest at 3.75% per annum; the principal amounting to seven million two hundred and fifty thousand Euro (€7,250,000) shall be repaid in equal installments over a nine (9) year period commencing from the first Interest Payment Date; the balance of the principal amounting to six million Euro (€6,000,000) shall be repaid in a lump sum payment one (1) week prior to Maturity Date. Center Parc shall repay the said loan through income earned from the lease of the Center Parc Property, and should such income exceed current projections, Center Parc may declare dividends that will also go towards payment of the said loan.

All receivables in the form of rent raised by Center Parc from the lease of the Center Parc Property, once completed, shall be pledged in favour of the Subsidiaries' Holding. Should the Center Parc Property be further developed in future, the pledge shall not extend to rent from lease agreements relating to the newly developed part of the property.

These loans shall be subject to the admission of the Bond Issue to listing on the official list of the Exchange and to the Guarantor granting the Security in favour of the Security Trustee pursuant to the Security Trust Deed.

- *Cancellation of Securities Granted to the Bank*

There are currently registered in favour of the Bank as lender, as security for the repayment of the Guarantor's Original Debt, the Guarantor's Original Charges. Other than for the Guarantor's Original Charges and any preferences arising at law (there is currently a special privilege securing ground rent encumbering the Secured Asset), there are no further charges over the Secured Asset. Upon repayment of the Guarantor's Original Debt through the proceeds of the Bond Issue as provided for above, the Bank as lender shall release and cancel the Guarantor's Original Charges, at which point in time the Guarantor shall grant the Security in favour of the Security Trustee for the benefit of the Bond Holders.

There are currently registered in favour of the Bank as lender as security for the repayment of Center Parc's Original Debt, the Center Parc Original Charges. Other than for Center Parc's Original Charges and any preferences arising at law, there are no further charges over the Center Parc Property. Upon repayment of the Center Parc Original Debt, through the proceeds of the Bond Issue as provided for above, the Bank as lender shall release and cancel the Center Parc Original Charges, as a result of which the Center Parc Property will be free and unencumbered.

4.1.2 Expenses

Four hundred thousand Euro (€400,000) of the Bond Issue are expected to be paid out as professional fees and other costs related to publicity, advertising, printing, listing, registration, sponsorship, management, registrar fees, commissions and other miscellaneous expenses in connection with the Bond Issue.

4.2 Expected Time Table of the Bond Issue

1	Offering period	12 th June 2019 to 26 th June 2019
2	Commencement of interest	27 th June 2019
3	Expected Date of Constitution of the Security	28 th June 2019
4	Expected date of admission of the Bonds to listing	28 th June 2019
5	Expected date of commencement of trading in the Bonds	1 st July 2019

The Issuer reserves the right to bring the Closing Date forward and close the offer period earlier in the event of over-subscription, in which case the events set out in the above steps may also be brought forward.

4.3 Offer Statistics

Amount:	€20,000,000
Form:	The Bonds will be issued in fully registered and dematerialized 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
Denomination:	Euro (€)
ISIN:	MT0002271204
Minimum Amount per Subscription:	Minimum of €2000 and multiples of €100 thereafter
Maturity Date:	27 th June 2029
Plan of Distribution:	The Bonds may be subscribed by the Manager or the Sponsor for their own account or the account of their customers as better set out in section 6.1 under the heading 'Subscription and Sale'
Bond Issue Price:	€100 nominal value per Bond
Status of the Bonds:	The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank <i>pari passu</i> without any priority or preference among themselves. The Guarantor shall guarantee the Bond with respect to both principal and interest. In so far as concerns the Guarantor, the Bonds shall rank first (except for certain preferences allowed by law), over the Secured Asset, and shall rank with priority over present and future unsecured obligations of the Guarantor and with first ranking and priority over the Secured Asset
Listing:	Application has been made to the Exchange for the Bonds to be listed and traded on its official list
Interest:	3.75% per annum
Interest Payment Date:	yearly on the 27 th June
Governing Law of the Bonds:	Maltese Law
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

4.4 Interest of Natural/Legal Persons involved in the Issue

Save for the subscription of the Bonds by the Authorised Financial Intermediaries, the repayment to the Bank of the Center Parc's Original Debt and the Guarantor's Original Debt, and any fees payable in connection with the Bond Issue to the Sponsor, Manager and Registrar, so far as the Issuer is aware, no person involved in the Bond issue has a material interest in the Bond Issue.

4.5 Conditions of the Bonds

Each Bond shall be issued on the terms and conditions set out in this Securities Note and by subscribing to or otherwise acquiring the Bonds, the Bond Holders are deemed to have knowledge of all the terms and conditions of the Bonds hereafter described and to accept and be bound by the said terms and conditions.

Each Bond forms part of an issue of 3.75% secured bonds 2029 of a nominal value of €100 per Bond issued by the Issuer up to the principal amount of €20,000,000. The issue date of the Bonds is expected to be 28th June 2019 or such earlier date as may be applied in the event the Closing Date is brought forward.

4.5.1 Bond Issue Subject to Certain Events

The issue and allotment of the Bonds is subject to: (i) the Bonds being admitted to the official list of the Exchange by no later than 28th June 2019 and (ii) the Security being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed. In the event that the conditions are not satisfied within 15 days, the Issuer shall procure that all application monies received on the Bonds shall be returned without interest by direct credit to the bank account indicated in the Applicant's application for purchase of the Bonds.

4.5.2 Rights Attaching to the Bonds

A Bond Holder will have such rights as emanate from this Prospectus including the right to:-

- a. be repaid the principal amount;
- b. be paid interest on each Interest Payment Date;
- c. benefit from the Security over the Secured Asset;
- d. attend, participate in and vote at meetings of Bond Holders in accordance with the terms and conditions of the Bond Issue.

4.5.3 Form

Certificates will not be delivered to the Bond Holders in respect of the Bonds. The entitlement to the Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. A Bond Holder shall have the right at reasonable times to access the register of Bond Holders held at the CSD for inspecting information held in its respect. Upon request, the CSD shall issue a Bond Holder a statement evidencing the registration of the Bonds in his name.

4.5.4 Denomination

The Bonds will be issued in fully registered form without interest coupon, in denominations of integral multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by an Applicant is €2000. The Bonds shall be in Euro.

4.5.5 Title

Any person in whose name the Bonds are registered may (to the fullest extent allowed by law) be deemed and treated at all times by all persons and for all purposes (including the making of any payments), as the absolute owner of the Bond.

4.5.6 Security

The obligations of the Issuer for repayment of principal and interest under the Bonds are secured by the Guarantee and the Security granted by the Guarantor in favour of the Security Trustee for the benefit of the Security Trustee and the Bond Holders.

If an Event of Default shall occur and is continuing, the Guarantee and the Security shall become enforceable and the Security Trustee may at its discretion or, if requested in writing by at least seventy five per cent (75%) in nominal value of the Bond outstanding, in accordance with the provisions of the Security Trust Deed but at all times without having regard to the effect of such action on individual Bond Holders, enforce all or any part of the Guarantee and the Security.

4.5.7 Status

The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference amongst themselves.

The Guarantor has secured the repayment of the principal and interest by means of the Guarantee and the Security in favour of the Security Trustee for the interests of the Bond Holders. With respect to the Guarantor, the Bonds shall rank

with priority or preference to all other present and future unsecured obligations of the Guarantor, and save for exceptions allowed by law, will have first ranking and priority over the Secured Asset.

4.5.8 Listing

Application has been made to admit the Bonds to the official list of the Exchange. The Bonds are expected to be assigned ISIN: MT0002271204.

4.5.9 Registration and Transfer of the Bonds

▪ Registration

Upon being allotted Bonds, a Bond Holder shall be registered with the CSD. A statement evidencing the registration of the Bonds is issued in his name.

In the case of joint applications, the person whose name shall be inserted in the field “Applicant” on the Application Form, or first named in the register of Bond Holders shall for all intents and purposes be deemed to be the registered holder of the Bonds and to have been so nominated by all the joint holders whose names appear in the field entitled “Additional Applicants” in the Application Form or as joint holders in the register of Bond Holders as the case may be.

Bonds subject to usufruct shall be registered in the name of the owner and the usufructuary. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bonds and shall have the right to receive interests on the Bonds and to vote at meetings of the Bond Holders but shall not have the right to dispose of the Bonds without the bare owner’s consent, neither shall he be entitled to the principal amount, which will be paid to the owner on Maturity Date. The owner will not be allowed to dispose of the Bonds prior to Maturity Date without the consent of the usufructuary.

Bonds allocated to persons under the age of eighteen years (18) shall be registered in the name of the minor. The payment of interests and principal amount shall be paid to the parents/guardian until such time as the minor reaches majority age, when payment of interest and principal amount shall be paid to him directly, provided the Issuer has been notified in writing that the minor has attained majority age.

▪ Transfer

The Bonds are freely transferable and once admitted to the official list of the Exchange shall be transferable in accordance with the rules and regulations of the Exchange as these may change from time to time.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bond Holder may, upon such evidence being produced as may from time to time be required by the Issuer or the CSD, elect either to be registered himself as Bond Holder or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bonds, or procuring the transfer of the Bonds, in favour of that person.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

The cost and expense of effecting any registration of transfer or transmission will be borne by the transferee.

Transfers or transmissions shall not be registered for a fifteen (15) Business Day period preceding any Interest Payment Date.

4.5.10 Interest

The Bonds shall bear interest from the Closing Date at the rate of 3.75% per annum calculated by reference to the principal amount thereof and payable annually in arrears on the Interest Payment Date.

The amount of interest payable in respect of the Bonds in respect of a period which is shorter than an Interest Period shall be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by the product of the number of days from (and including)

the immediately preceding Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next Interest Payment Date and the number of Interest Periods normally ending in any year.

4.5.11 Accrual of Interest

Each Bond will cease to bear interest where such Bond is redeemed or repaid pursuant to Condition 4.5.13 or Condition 4.5.14, from the due date for redemption or repayment thereof unless, payment of the principal amount in respect of the Bonds is improperly withheld or refused, in which event interest will continue to accrue at the rate specified in Condition 4.5.10 until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bond Holder; or (ii) the day after the Security Trustee has notified the Bond Holders of receipt of all sums due in respect of all Bonds up to that day.

4.5.12 Yield

The gross yield calculated on the basis of the interest, the issue price and redemption price of the Bonds, which in both cases is the nominal value per Bond, is of 3.75%.

4.5.13 Change of Control

Within thirty (30) days following the occurrence of a Change of Control, the Issuer shall give notice thereof to the Security Trustee and to the Bond Holders in accordance with Condition 4.5.24. Such notice shall contain a statement informing the Bond Holders of their entitlement to exercise their rights to require redemption of the Bonds pursuant to Condition 4.5.14.

The Change of Control Notice shall also specify:-

- a. all information material to the Bond Holders concerning the Change of Control;
- b. the redemption price at which the Bonds can be redeemed;
- c. the last day of the Change of Control Period;
- d. the relevant Change of Control Put Date;
- e. such other information relating to the Change of Control as the Security Trustee may require.

Following the occurrence of a Change of Control, the Bond Holder will have the right to require the Issuer to redeem the Bonds on the relevant Change of Control Put Date at a redemption price equal to that notified by the Bond Issuer in the Change of Control Notice, together with accrued and unpaid interest, if any, to and excluding the relevant Change of Control Put Date. To exercise such right the Bond Holder must deliver a Change of Put Exercise Notice consisting of those forms requested at the time by the Issuer to be filed in connection with this notice and notified during the Change of Control Period.

A Change of Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of the Change of Control Put Exercise Notice as aforesaid on the Change of Control Put Date.

4.5.14 Redemption, Purchase and Cancellation

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed at par on Maturity Date. The Bonds will only be redeemed prior to the Maturity Date at the option of the Bond Holder upon a Change of Control or where acquired by the Issuer itself or a member of the Group or the Parent Company as provided for in this section.

Subject to the requirements of the Exchange on which the Bonds will be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any member of the Group or the Parent Company may at any time purchase any Bonds in the open market or otherwise at any price. Such Bonds may be held or re-sold or, at the option of the relevant purchaser, surrendered for cancellation. The Bonds so purchased, while held by or on behalf of the Issuer or any member of the Group or the Parent Company, shall not entitle the holder to vote at meetings of the Bond Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bond Holders for the purposes of Condition 4.5.24.

All Bonds which are redeemed will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or any member of the Group or the Parent Company may be surrendered for cancellation and, if so surrendered, shall be cancelled.

4.5.15 Payments of Principal and Interest

Payment of principal in respect of the Bonds and payment of accrued interest payable on redemption of the Bonds (other than on an Interest Payment Date) will be made to the person in whose name the Bonds are registered at close of business on Record Date. Such payment will be made within ten (10) Business Days from Maturity Date.

Payments of interest on any Interest Payment Date will be made to the persons registered at close of business on the Record Date. Such payment will be made within ten (10) Business Days from Interest Payment Date.

Each payment in respect of the Bonds whether by way of principal or interest will be made by direct credit transfer to a Euro account maintained by the Bond Holder with a bank licensed in Malta.

Payments in respect of the Bonds may be subject to applicable tax. All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

4.5.16 Delay in Payment

Other than as stated in Condition 4.5.11, Bond Holders will not be entitled to any interest or other payment for any delay in receiving the amount due after the due date.

4.5.17 Fractions

When making payments to Bond Holders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

4.5.18 Event of Default

The Security Trustee may in its absolute discretion and shall, if so requested in writing by the holders of at least seventy five (75) per cent in nominal value of the Bonds outstanding, give notice in writing to the Issuer and the Guarantor that the Bonds are, and they shall accordingly thereby immediately become, due and repayable at their principal amount, together with accrued interest as at such date, if any of the following events (each an Event of Default) shall have occurred and be continuing:

- a. The Issuer fails to pay the principal amount or any interest on any of the Bonds when due and such failure continues for a period of sixty (60) days in the case of the principal and thirty (30) days in the case of the interest after written notice thereof is given by the Security Trustee to the Issuer and/or Guarantor;
- b. The Issuer and/or Guarantor does not perform or comply with any one or more of its other obligations in respect of the Bonds or the Security Trust Deed or the Guarantee or a document constituting the Security, and such default is incapable of remedy or, if (in the opinion of the Security Trustee) is capable of remedy, is not (in the opinion of the Security Trustee) remedied within thirty (30) days after the Issuer and/or Guarantor shall have received from the Security Trustee written notice of such default;
- c. If: (i) any Indebtedness of the Issuer or Guarantor becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or Guarantor fails to make any payment in respect of any Indebtedness on the due date for payment as extended by any applicable grace period; (iii) any security given by the Issuer or Guarantor for any Indebtedness is enforced; (iv) default is made by the Issuer or Guarantor in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness of any other person;
- d. if: (i) an attachment, execution or other legal process is levied, enforced or sued out on or against all or any substantial part of the assets of the Issuer and/or the Guarantor and/or the Subsidiaries' Holding and is not discharged or stayed within ninety (90) days or such longer period as may be permitted by the Security Trustee in its sole discretion; or (ii) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Issuer or the Guarantor or the Subsidiaries' Holding;
- e. any step is taken to enforce any security interest, present or future, created or assumed by the Issuer or the Guarantor or the Subsidiaries' Holding and is not stayed within sixty (60) days;

- f. bankruptcy, insolvency, voluntary or court liquidation, composition with creditors, reorganisation or similar affecting the rights of creditors generally are opened against the Issuer and/or Guarantor and/or the Subsidiaries' Holding or a provisional administrator, official receiver or liquidator is appointed in respect of the Issuer and/or Guarantor and/or Subsidiaries' Holding;
- g. the Issuer or the Guarantor admits inability to pay its debts as they fall due, or is deemed unable to pay its debts pursuant to or for the purpose of any applicable law;
- h. an order is made or a resolution is passed for the winding up or dissolution of the Issuer or the Guarantor, or the Issuer or Guarantor has passed a resolution to have itself wound up or has made an announcement or issued a notice to that effect, or the Issuer or Guarantor ceases or publicly announces an intention to cease to carry on all or substantially all of its business or operations, except in any such case: (i) any sale or transfer of all, or substantially all, of the assets of the Issuer to another entity (whether by operation of law or otherwise); (ii) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation; or (iii) in the case of a Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred to or otherwise vested in the Issuer or another member in the Group;
- i. a final judgement or judgements for the payment of money exceeding two million Euro (€2,000,000) in aggregate, are rendered against the Issuer or the Guarantor, and which judgements are not, within thirty (30) days after entry thereof, discharged or stayed pending appeal, or are not discharged within thirty (30) days after the expiration of such stay;
- j. the Issuer or Guarantor substantially changes the object or nature of its business as currently carried on;
- k. any representation or warranty made or deemed to be made by or in respect of the Issuer or Guarantor is or proves to be incorrect in any material respect;
- l. any consent, permit, authorization, license or approval of, or registration with, or declaration to governmental, statutory or public bodies, or authorities or courts, required by the Issuer in connection with the Bonds or by the Subsidiaries in connection with the carrying out of their business or in connection with the Properties is not granted or if granted is substantially modified or revoked or not renewed or otherwise ceases to be in full force and effect;
- m. following a period of sixty (60) days where Issuer and/or Guarantor are affected by an event of Force Majeure;
- n. the Issuer and/or the Guarantor are in material breach of the Security Trust Deed.

An Event of Default is continuing if it has not been waived or if it has not been remedied within the period stipulated for its remedy.

4.5.19 Maintenance of Unencumbered Assets

The Issuer undertakes to procure that the Guarantor does not give any further charges over the Secured Asset even if these rank after those registered in favour of the Security Trustee for the benefit of the Bond Holders.

4.5.20 Issuer's Undertakings to Transfer Proceeds

The Issuer undertakes that it will transfer the proceeds of the Bond Issue as per 4.1 under the heading 'Reasons of the Offer and Use of Proceeds'.

4.5.21 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within five (5) years from the date the payment with respect to which a claim is being made, becomes due.

4.5.22 Meetings of Bond Holders, Modification and Waiver, Substitution

The Security Trustee may, from time to time call meetings of the Bond Holders for the purpose of consulting with the Bond Holders or obtaining their consent on matters which in terms of the Prospectus require the approval of the Bond Holders.

A meeting of the Bond Holders may also be called by the Directors, through the Security Trustee, by giving the Security Trustee notice in writing. A meeting can also be called by ten per cent (10%) in value of Bonds outstanding.

The Security Trustee shall call meetings of Bond Holders by giving them not less than fourteen (14) days notice in advance of the meeting. The notice of the meeting will set out the time, place and date set for the meeting and the matters to be discussed thereat, giving the Bond Holders sufficient information on the matter to be discussed and decided upon.

The quorum at such meetings shall be of two (2) Bond Holders present in person or by proxy representing not less than fifty per cent (50 %) in nominal value of the Bonds outstanding. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated in the notice convening the same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Security Trustee to the Bond Holders within five (5) days from the meeting. An adjourned meeting shall be held not earlier than ten (10) days and not later than fifteen (15) days following the original meeting. At an adjourned meeting, the number of Bond Holders present, in person or by proxy, shall constitute a quorum, and only the matters specified in the notice calling the original meeting shall be discussed at such adjourned meeting.

All decisions taken at the meeting shall be approved by seventy five per cent (75%) in nominal value of the Bonds outstanding, present in person or by proxy. A decision taken in such manner is binding on all Bond Holders. The Security Trustee is also bound to act on any decision duly taken by the Bond Holders.

The Security Trustee shall chair meetings of Bond Holders.

The amendment of the Conditions (excluding the Condition in section 4.5.24 under the heading 'The Security Trustee') may only be made with the approval of Bond Holders at a meeting held for the purpose in accordance with the terms hereof.

4.5.23 Enforcement

The Security Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit, to:-

- a. enforce the provisions of the Security Trust Deed, the Prospectus and the Guarantee; and
- b. at any time after the Security has become enforceable, take action to enforce that Security in accordance with the Security Trust Deed;

but it shall not be bound to take such proceedings or any other action in relation to the Security Trust Deed, the Prospectus, the Guarantee or the Security unless it has been so directed to do so by a resolution of Bond Holders holding seventy five per cent (75%) in nominal value of the Bonds outstanding.

The Security Trustee shall not be required to take any action that would involve the Security Trustee in any personal liability or may be contrary to any applicable laws or regulations.

4.5.24 The Security Trustee

The Issuer and the Guarantor have entered into a Security Trust Deed with the Security Trustee which sets out the terms and conditions of (i) the Issuer and the Guarantor to pay the principal amount on the Bonds on Maturity Date and the interest thereon on an Interest Repayment Date, (ii) the Guarantee, the Security and the rights and interests thereon, and (iii) the rights and benefits enjoyed by the Security Trustee for the benefit of the Bond Holders under the Security Trust Deed.

Pursuant to the Security Trust Deed the Security Trustee shall act as security trustee of the Guarantee and the Security in favour of the Bond Holders. The Security Trustee shall so act until the Bonds and interest thereon shall have been paid in full.

The proceeds from the Bond Issue will be received by the Security Trustee from the Registrar, who will release the said proceeds in the following manner:-

1. such sum as shall be equal to the proceeds of the Bond Issue less the amount of thirteen million two hundred and fifty thousand Euro (€13,250,000) (which is the amount to be given on loan to Center Parc) and less the cost of the Bond Issue which is expected to be in the region of four hundred thousand (€400,000), and which sum is expected to be in the region of six million three hundred and fifty thousand Euro (€6,350,000), will first be released to the Issuer. The Issuer will utilize this amount to acquire the Preference Shares in the Subsidiaries' Holding;
2. from the capital received by the Subsidiaries' Holding following the issuance and allotment of the Preference Shares, the Subsidiaries' Holding will grant the sum of four million five hundred thousand Euro (€4,500,000) to the Guarantor on loan. The balance of proceeds received by the Subsidiaries' Holding through the issuance and allotment of the Preference Shares (following the grant of the loan to Guarantor as stated in this paragraph),

- which is expected to be in the region of one thousand eight hundred and fifty thousand Euro (€1,850,000), shall be used by it as general working capital;
3. the Guarantor will use the said sum to repay the Guarantor's Original Debt, as a result of which the Guarantor Property including the Secured Asset will be unencumbered (save for preferences allowed by law), at which point in time the Guarantor will grant the Security;
 4. simultaneously with the constitution of the Security, the rest of the proceeds of the Bond Issue will be released to the Issuer to be granted on loan to Center Parc.

The Security Trustee shall ensure that the proceeds of the Bond issue are utilised for the purposes aforementioned. For this purpose, the Security Trustee shall be empowered to request such additional confirmations, information and documentation as it shall deem necessary.

Throughout the term of the Security Trust Deed, the Security Trustee has the power, in the interest of the Bond Holders, to request the Guarantor at the latter's expense, to do all such things that the Guarantor would have done had the Security not been created.

The consent of the Security Trustee is required for the Guarantor to sell or create other real rights over the Secured Asset. The Guarantor has itself accepted not to encumber the Secured Asset further (section 4.5.19 under the heading 'Maintenance of Unencumbered Assets' of the Securities Note).

Pursuant to the Security Trust Deed, the Security Trustee may in its absolute discretion take steps or proceedings to enforce the Security Trust Deed or waive any of its covenants and provisions. The Security Trustee will need to take enforcement action in accordance with the covenants and provisions of the Security Trust Deed were requested to do so by seventy five per cent (75%) in nominal value of the Bonds outstanding.

In the event that the Security Trustee enforces the Guarantee and/or the Security it shall use the proceeds to first settle any amounts outstanding in its favour pursuant to the Security Trust Deed by way of costs and expenses. It will then settle expenses incurred by it in enforcing the Guarantee and/or the Security pursuant to the Security Trust Deed. It will then pay outstanding interest followed by payment of principal owing on the Bonds.

The Security Trustee may at the cost of the Issuer call meetings of the Bond Holders intended to discuss matters pursuant to the Security Trust Deed or to request the Bond Holders' directions on those matters. The Security Trust Deed regulates the calling and proceedings of such meetings. The quorum for such meetings shall be of two (2) Bond Holders holding in aggregate not less than fifty (50) per cent in nominal value of Bonds outstanding. Decisions need to be taken by seventy five per cent (75%) in nominal value of Bonds outstanding.

The Security Trustee shall be paid such remuneration for the provision of services pursuant to the Security Trust Deed as shall be agreed to with the Issuer.

4.5.25 Warranties and Representations

The Issuer represents and warrants to the Bond Holders and to the Security Trustee for the benefit of the Bond Holders, who shall be entitled to rely on such representations and warranties that:

- i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title;
- ii. it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate, shareholder and other actions have been duly taken to authorize the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the terms and conditions of this Prospectus; and
- iii. the Prospectus contains all relevant material information with respect to the Issuer and the Guarantor and all information contained in the Prospectus is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer and/or Guarantor, their respective businesses and financial position, the omission of which would, in the context of the issue of the Bonds, make any statement in the Prospectus misleading or inaccurate in any material respect.

4.5.26 Notices

All notices regarding the Bonds will be valid if sent to the address of the relevant Bond Holder as specified in the CSD. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of the Listing Authority and the Exchange on which the Bonds will be listed and admitted to trading. Any such notice shall be deemed to have been given on the date of such publication, or if published more than once or on different dates, on the first date on which publication is made.

4.5.27 Further Issues

The Issuer may, without the consent of the Bond Holders, raise further funds, from time to time, on any date by the creation and issue of further bonds, carrying the same terms and conditions in all respects (or in all respects except for the amount and date of the first payment of interest thereon, issue date and/or purchase price) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with the Bonds.

Any company in the Group may, without the consent of the Bond Holders, raise further funds, from time to time on any day by the creation and issue of further bonds and on such terms as such company may decide, including the granting of security interests separate from the Security. Any such bonds shall be constituted by a separate trust deed on terms to be agreed by the relevant company and the trustee appointed in relation to such further bonds.

4.5.28 Governing Law and Jurisdiction

▪ Governing Law

The Security Trust Deed, the Bond Issue, the Guarantee and the Security and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with Maltese Law.

The Bond Issue is made in accordance with the requirements of the Listing Rules, the Act and the Regulation.

▪ Jurisdiction

The Courts of Malta shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Security Trust Deed, the Bond Issue, the Guarantee and the Security including any dispute relating to non contractual obligations arising out of or in connection therewith and accordingly any legal action or proceedings arising out of or in connection with the Security Trust Deed, the Bond Issue, the Guarantee and the Security or otherwise shall be brought before the Maltese courts.

4.6 Proceeds for Payment to Subsidiaries and Creation of Security

The Bond Issue proceeds shall be transferred to the Security Trustee on or around Closing Date.

The Security Trustee will release such sum as shall be equal to the proceeds of the Bond Issue less the amount of thirteen million two hundred and fifty thousand Euro (€13,250,000) (which is the amount to be given on loan to Center Parc) and less the cost of the Bond Issue which is expected to be in the region of four hundred thousand (€400,000), to the Issuer. Such sum is expected to be in the region of six million three hundred and fifty thousand Euro (€6,350,000). The Issuer will utilize this amount to acquire the Preference Shares in the Subsidiaries' Holding.

From the capital received by the Subsidiaries' Holding following the issuance and allotment of the Preference Shares (which as stated above, is expected to be in the region of six million three hundred and fifty thousand Euro €6,350,000), the Subsidiaries' Holding will grant the sum of four million five hundred thousand Euro (€4,500,000) to the Guarantor on loan.

The Guarantor will use part of the said sum to repay the Guarantor's Original Debt, as a result of which the Guarantor Property including the Secured Asset will be unencumbered (save for preferences allowed by law).

The Guarantor shall together with the Security Trustee appear on a deed with the Bank as lender to repay the Guarantor's Original Debt. The Security Trustee shall appear on the deed to effect payment. The Issuer and the Guarantor shall simultaneously appear on a deed with the Security Trustee to constitute the Security.

Following publication and registration of the Security, and upon the Bonds being admitted to the official list of the Exchange, the Security Trustee shall release the amount of thirteen million two hundred and fifty thousand Euro (€13,250,000) to the Issuer who will in turn release the said amount to Center Parc. Center Parc shall use part of the said amount to repay Center Parc's Original Debt. The Security Trustee will together with Center Parc appear on a notarial deed to release the said loan and obtain cancellation of the existing charges over the Center Parc Property.

4.7 Guarantee and Security

The Bonds shall constitute the general, direct and unconditional obligations of the Issuer and shall be guaranteed in respect of interest and principal by the Guarantor pursuant to the Guarantee. The Bonds shall at all times rank *pari passu* without any priority or preference amongst themselves but, shall rank with priority or preference over all unsecured indebtedness of the Guarantor and (except for certain preferences allowed by law) with first ranking and priority over the Secured Asset.

Since the Bonds are being guaranteed by the Guarantor jointly and severally with the Issuer, the Security Trustee for the benefit of the Bond Holders shall be entitled to request the Guarantor to pay both interest and principal on the Bonds in the event Issuer fails to pay any such amount when due in terms of the Prospectus.

The Security Trustee for the benefit of the Bond Holders may take action against the Guarantor before and even without taking action against the Issuer. The strength of the Guarantee and therefore the level of recoverability of any amounts due under the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

The Guarantee is secured by the Security. The Security Trustee has retained the right to substitute the Secured Asset with another immovable property owned by the Group, subject to an architect's independent valuation report confirming that the value of the immovable property added to the Security is at least equal to the value of the Secured Asset.

Whilst the Security grants the Security Trustee for the benefit of the Bond Holders the right of preference and priority for repayment over the Secured Asset, there can be no guarantee that the value of the Secured Asset (or other properties as the same may be replaced from time to time as provided for in the Security Trust Deed) over the term of the Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Bonds.

Notwithstanding that the Bonds constitute the general, direct, unconditional and secured obligations of the Guarantor which shall rank prior to present and future unsecured obligations of the Guarantor, there can be no guarantee that privileges accorded to law in specific situations will not arise during the course of business of the Guarantor which may rank with priority or preference to the Security.

4.8 Undertakings by an Applicant for the Bonds

The contract created by the acquisition of the Bonds shall be subject to the terms and conditions of the Prospectus, and the memorandum and articles of association of the Issuer.

By completing and delivering an Application Form, the Applicant accepts that the acquisition of the Bonds is subject to the terms and conditions of the Prospectus and the memorandum and articles of Issuer and shall further:

- a. be deemed to have had notice of all information and representations concerning and relative to the Issuer, the Guarantor and the Bonds;
- b. confirm that Applicant is not a US person as defined in the Securities Act of 1933 of the United States of America and represent that Applicant is not submitting an application on behalf or for the benefit of a US person;
- c. offer to purchase such number of Bonds equivalent to the currency amount specified in the Application Form at Bond Issue Price as stated in section 4.3 under the heading 'Other Statistics'. The Issuer reserves the right to reject an application in whole or in part, and Applicant shall agree to accept such number of Bonds in respect of which an application is accepted;
- d. in the event an Applicant is not allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund, as the case may be, of the balance of the price of the Bonds applied for but not allocated, without interests, through the Authorised Financial Intermediary, through such account as indicated by the Applicant, at the Applicant's sole risk within fifteen (15) Business Days from the date of final allocation. The Issuer and/or Registrar and/or Authorised Financial Intermediary shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer;
- e. warrant that the remittance shall be honoured on first presentation and agree that, if such remittance is not so honoured, Applicant will not be entitled to receive a registration advice, or to be registered in the register

of Bond Holders, or to enjoy any rights in respect of such Bonds unless and until Applicant makes payment in cleared funds for such Bonds and such payment is accepted by the Registrar and/or Issuer (which acceptance shall be in its absolute discretion and may be on the basis that Applicant indemnifies it/them against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of Applicant's remittance to be honoured on first presentation);

- f. acknowledge that if payment in full is not received by the relevant time stipulated in the Prospectus, the Issuer and/or Registrar may cancel the allotment and Applicant agrees to indemnify and hold harmless the Issuer, the Directors and each of the Registrar and/or Authorised Financial Intermediaries for any loss, cost or expense suffered by them as a result of Applicant's failure to pay the subscription monies by the relevant time;
- g. Applicant also warrants and declares that the monies invested pursuant to the application do not result directly or indirectly from the proceeds of any criminal activity and the investment is not designed to conceal such proceeds so as to avoid prosecution for an offence or otherwise;
- h. warrant that, in connection with Applicant's application, Applicant has observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the application in any jurisdiction and that Applicant has not taken any action which will or may result in any of the Issuer, Registrar or Authorised Financial Intermediary acting in breach of the regulatory or legal requirements or any jurisdiction in connection with the Bonds or Applicant's application;
- i. agrees to provide the Registrar and/or the Issuer or anyone of the Authorised Financial Intermediaries any additional documentation, information or declarations that it or they may require to verify Applicant's identity in accordance with current or future anti-money laundering/terrorist financing, legislation or regulation implementing tax reporting obligations under any legislation or regulation or any other such documents, information, certificates or declarations each may reasonably require in connection with the investment. Applicant acknowledges that any such delay by Applicant in providing such documentation may result in delayed processing of the application and/or delayed payment of any future redemption payments to Applicant or processing of transfer requests on Applicant's behalf. Applicant hereby holds the Issuer, the Registrar and each one of the Authorised Financial Intermediaries harmless and indemnify them against any loss arising as a result of a failure to process the application if such information has been required and has not been provided by Applicant or was inaccurate in anyway. Applicant hereby agrees to notify the Issuer or the Registrar immediately of any change in any documentation, information, declarations aforementioned and further agrees to request the redemption of Bonds in respect of which any such confirmations have become incomplete or inaccurate if requested to do so by the Issuer. Applicant agrees to notify the Issuer and/or Registrar of any change in his/her tax residency status;
- j. the Issuer and/or the Registrar and each of the Authorised Financial Intermediaries are authorized to accept and execute any instructions in respect of the Bonds to which an application relates or which may in future be acquired by Applicant which are given by Applicant in written form or by facsimile or such other means as may from time to time be permitted by the Issuer or its delegates and in the case of joint holders which are given by such means by the duly authorized joint holder (the 'Instructions'). Applicant hereby agrees to indemnify each of the Issuer and/or Registrar and/or Authorised Financial Intermediaries, and agrees to keep each one of them indemnified against any loss of any nature whatsoever arising to any of them as a result of any of them acting upon Instructions. The Issuer and/ or Registrar and/or Authorised Financial Intermediary may each rely conclusively upon and shall incur no liability in respect of any action taken upon any Instructions or any notice, consent, request or other instrument believed in good faith to be genuine and to be signed or given by properly authorized persons;
- k. confirm that in making this application Applicant is not relying on any information or representation concerning or relating to the Issuer or the Bonds other than those contained in the Prospectus or the most recent annual accounts of the Issuer and Applicant accordingly agrees that no person responsible solely or jointly for the Prospectus or any part thereof, will have any liability of any such other information or representation;
- l. hereby agrees to indemnify and hold harmless the Issuer and/or the Registrar and any of them or their authorized agents or delegates against any loss, liability, cost or expenses (including without limitation legal fees, taxes, and penalties) which may result directly or indirectly from any misrepresentation or breach of any warranty, condition, covenant or agreement contained herein or in any other document delivered by Applicant to the Issuer or any of them and shall notify the Issuer and/or Registrar immediately if any of the representations herein made are no longer accurate and complete in all respects;
- m. no person receiving a copy of the Prospectus or an Application Form in any jurisdiction other than Malta may treat the same as constituting an invitation or offer to him/her, nor should he/she in any event use the Application Form unless, in the relevant jurisdiction, such an invitation or order could lawfully be made to him/her or such Application Form could lawfully be used without contravention of any applicable legal requirements. It is the responsibility of any person outside Malta wishing to make any application to satisfy himself/herself as to the full observance of the laws of any relevant jurisdiction in connection therewith,

- including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such jurisdiction and paying any issues, transfer or other taxes required to be paid in such jurisdiction;
- n. in the case of joint applicants, reference to Applicant in the terms and conditions is a reference to each of the joint applicants and liability therefore is joint and several;
 - o. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
 - p. warrants that all applicable exchange control or other regulations (including those relating to external transactions) have been duly and fully complied with;
 - q. agrees that all documents in connection with the issue of the Bonds will be sent at Applicant's own risk and may be sent by post at the address indicated by the Applicant on the relevant Application Form;
 - r. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;
 - s. by signing the Application Form, Applicant is deemed to have been given the privacy notice required pursuant to the GDPR.

Where an Application Form is signed on behalf of another party or on behalf of a body of persons, the signatory warrants that he/she has due authority to do so and Applicant will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the Prospectus. The signatory also undertakes to enclose the power of attorney or copy thereof duly certified by a lawyer or notary public if required to do so by the Issuer or Authorised Financial Intermediary.

4.9 Data Protection

The Issuer, Registrar, CSD and the Authorised Financial Intermediaries shall hold, use, obtain, disclose and process Applicant's personal data in accordance with the GDPR. Personal data shall be processed by the Issuer, Registrar, CSD and the Authorised Financial Intermediaries for the purposes of issuing and allotting the Bonds to Applicant and administering the Bondholding on an ongoing basis and to comply with applicable legal and regulatory obligations including anti-money laundering obligations. The Issuer, Registrar, CSD and the Authorised Financial Intermediaries shall disclose Applicant's data to its delegates and agents including its service providers, where necessary, or for legitimate business interests including those of the Issuer, Registrar, CSD and the Authorised Financial Intermediaries or their service providers. Third Parties to whom data may be disclosed may be situated in jurisdictions that do not provide an adequate level of data protection and/or appropriate safeguards, in which case any such disclosure shall be made subject to applicable law. All telephone calls shall be recorded for record keeping, security and/or training purposes. Personal data may also be used for statistical analysis and market research. The information requested in the Application Form is mandatory for the purposes of the application and without which no investments can be made in Applicant's name.

Personal data can be collected directly from the Applicant and/or Bond Holder but also from third parties.

A Bond Holder or Applicant may request a copy of the personal data processed by the Issuer, the Registrar, CSD and the Authorised Financial Intermediaries or their agents by sending a written signed request to any of them at their registered address. If any personal data is found to be inaccurate or incomplete, the Bond Holder or Applicant has the right to request that this be rectified or completed, as appropriate. The Bond Holder or Applicant also has the right to object to the processing of his/her personal data in those instances allowed by law. A Bond Holder or Applicant has a right to object to the processing of his/her data for direct marketing purposes by written request to the Issuer, Registrar, CSD and the Authorised Financial Intermediaries. A Bond Holder or Applicant has the right to request erasure of his/her personal data and/or to restrict its processing

in circumstances allowed by law. A Bond Holder or Applicant may withdraw his/her consent at any time where processing is based on such consent. A Bond Holder or Applicant has the right to request data portability. A Bond Holder or Applicant has the right to lodge a complaint with the Information and Data Protection Commissioner in case he/she feels the Issuer, Registrar, CSD and the Authorised Financial Intermediaries has breached his/her rights regarding its processing of his/her data.

Personal data shall be held throughout the period a Bond Holder retains Bonds, and for such further time with respect of a Bond Holder and/or an Applicant as is required by law to protect the Bond Holder's/Applicant's interests and those of the Issuer and/or Registrar.

5. TAXATION

5.1 General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and transfer, as well as any income/gains derived therefrom or made on their transfer. The following is a summary of the anticipated tax treatment applicable to the Bonds and to Bond Holders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation, as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

5.2 Malta Tax on Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bond Holder that he/she/it is entitled to receive the interest gross from any withholding tax or if the Bond Holder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Chapter 123 of the laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the said Income Tax Act. Bond Holders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income.

This withholding tax is considered as a final tax and a Maltese resident individual Bond Holder need not declare the interest so received in his income tax return if paid net of tax. No person shall be charged to further tax in respect of such income and the tax deducted shall not be available as a credit against the recipient's tax liability or available as a refund.

In the case of a valid election made in writing by an eligible Bond Holder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Malta Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bond Holder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bond Holders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

5.3 Exchange of Information

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bond Holders) to the Commissioner for Revenue. The Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Please note that this does not constitute tax advice and Applicants are to consult their own independent tax advisors in case of doubt.

5.4 Maltese Taxation on Capital Gains on Transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, if the Bonds are held as capital assets by the Bond Holder, no income tax on capital gains is chargeable in respect of transfer of the Bonds.

5.5 Duty on Documents and transfers

In terms of the Duty on Documents and Transfers Act (Chapter 364 of the laws of Malta), duty is chargeable *inter alia* on the transfer or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”.

Accordingly, the Bonds should not be treated as constituting marketable securities within the meaning of the aforementioned legislation and, therefore, the transfer/transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered to be marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Chapter 345 of the laws of Malta), in view of the fact that the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the Exchange, redemptions and transfers of the Bonds should in any case be exempt from Maltese duty.

6. PLAN FOR DISTRIBUTION AND RELATED MATTERS

6.1 Subscription and Sale

The Bonds will be distributed pursuant to the Subscription Agreement concluded by the Issuer with each of the Sponsor and the Manager.

Pursuant to the same Subscription Agreement, the Issuer has agreed to pay the Sponsor and the Manager a subscription fee, will reimburse them for certain expenses and will also indemnify them against certain liabilities incurred in subscribing to the Bonds. Each Subscription Agreement may be terminated in certain instances.

No action has been, or will be, taken in any country or jurisdiction that would, to the best of Issuer’s knowledge, permit a public offering of the Bonds, or the possession or distribution of this Prospectus or any other offering material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly the Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, form of application, advertisement or other offering material relating to the Bonds may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with applicable laws and regulations and all offers and sales of the Bonds by it will be made on the same terms.

6.2 Sale in Territories other than the Islands of Malta

The Bonds have not been and will not be registered under the Securities Act of 1933 of the United State of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S person.

No person receiving a copy of the Prospectus in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such Prospectus, unless in the relevant territory such an invitation to offer could lawfully be made to such person or such Prospectus could lawfully be used without contravention of any registration or other legal requirements.

7. EXPERTS AND ADVISERS

7.1 Statement of Experts

Save for the Financial Analysis Summary, the Securities Note does not contain any statement or report attributed to any expert or adviser.

The Financial Analysis Summary has been included in the form and content as authorized by the Sponsor, who has given and has not withdrawn its consent to the inclusion of such report herein. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Securities Note and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

The Sponsor does not have any material interest in the Issuer.

7.2 Advisers

Save for the possible subscription for Bonds by the Authorised Financial Intermediaries and any fees payable to the Sponsor and Registrar in connection with the Bond Issue, so far as the Issuer is aware, no person involved in the Bond Issue has a material interest in the Bond Issue.

ANNEX 1 - GUARANTEE

THIS DEED OF GUARANTEE is made on the 3rd day of June 2019 (the “Guarantee”)

Between

Of one part

Easysell Limited whose registered office is situated at Easysell Showroom, Mdina Road, Qormi QRM 9010, company registration number C 9778, duly represented hereon by Mr. Anthony Fenech, hereinafter referred to as the “Guarantor”

Of the other part

CSB Trustees and Fiduciaries Limited, whose registered office is situated at Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara BKR 4013, company registration number C 40390, duly represented hereon by Ms Davinia Cutajar, hereinafter referred to as the “Security Trustee”

WHEREAS

Tum Finance plc a company registered and existing under the laws of Malta with registered address at Tum Invest, Mdina Road, Qormi QRM 9010, and company registration number C 91228 (the “Issuer”), has as at date hereof issued a prospectus for the issue and allotment of €20,000,000 secured bonds of €100 nominal value each bond, at an interest rate of 3.75% per annum, to be redeemed on 27th June 2029, subject to the joint and several guarantee of the Guarantor (the “Secured Bonds”), and subject to the terms and conditions contained in the said prospectus as the same may change from time to time (hereinafter called the “Prospectus”);

It is a condition of the issue and allotment of the Secured Bonds that the Guarantor guarantees the due performance of the obligations of the Issuer under the Prospectus in favour of the Security Trustee for the benefit of the Bond Holders (as described in the Prospectus), which the Guarantor duly accepts;

The Issuer and the Guarantor have simultaneously with the issuance of the Prospectus entered into a security trust deed with the Security Trustee whereby the Security Trustee shall hold all security related to the Secured Bonds including this Guarantee for the beneficial interest of the Bond Holders.

NOW THEREFORE The Parties agree as follows:-

1. Definitions

Capitalised terms not defined in this Guarantee shall, unless the context otherwise requires, have the same meaning given to them in the Prospectus.

2. Guarantee

In consideration of the conditions precedent for the issuance of the Secured Bonds, and in consideration of the Bond Holders acquiring the Secured Bonds, the Guarantor shall in all respects jointly and severally with the Issuer, irrevocably and unconditionally guarantee in favour of the Security Trustee for the benefit of the Bond Holders, the due and proper performance of the Prospectus by the Issuer and the due observance and punctual performance of all obligations, duties, undertakings, covenants and conditions by or on the part of the Issuer contained therein and to be observed and performed by it, which guarantee shall extend to include any variation or addition to the Prospectus.

3. Indemnity

In the event of the Issuer failing to carry out, observe or perform all or any of the said obligations, duties, undertakings, covenants and conditions under the Prospectus (unless relieved from the performance of any part of the Prospectus by law or by the decision of a court or tribunal of competent jurisdiction), the Guarantor will be liable for and shall indemnify the Security Trustee against all losses, damages, costs and expenses whatsoever, which the Security Trustee may incur by reason or in consequence of any such failure of the Issuer.

4. Written Demand

The Guarantee shall be due on the Security Trustee's first written demand.

Any statements by the Security Trustee of the happening of an Event of Default that is continuing or of amounts due by the Issuer pursuant to the Prospectus or any amounts due pursuant to this Guarantee shall be binding on Guarantor save for manifest error, and the Guarantor shall have no right to delay or interrupt the enforcement of the Guarantee.

5. Continuing Guarantee

This Guarantee is a continuing guarantee and accordingly shall remain in operation until all obligations, duties, undertakings, covenants and conditions now or hereafter to be carried out or performed by the Issuer under the Prospectus shall have been satisfied or performed in full and is in addition to and not in substitution for any other security which the Security Trustee may at any time hold for the performance of such obligations and may be enforced without first having recourse to any such security and without taking any other steps or proceedings against the Issuer.

6. Waiver of Defences

The Guarantor shall not be discharged or released from this Guarantee by the occurrence of any one or more of the following:-

- i. any allowance of time, forbearance, indulgence or other concession granted to the Issuer under the Prospectus or any other compromise or settlement of any dispute between the Security Trustee and the Issuer (but so that the Security Trustee shall not pursue against the Issuer and/or a remedy contrary to the terms of any such compromise or settlement insofar as the Issuer and/or Guarantor shall have complied with such terms);
- ii. the liquidation, bankruptcy, administration, incapacity or lack of power, absence of authority or legal personality, dissolution, incapacity or any change in the name, composition or constitution of the Issuer or the Guarantor;
- iii. the release of the Issuer or the Guarantor under the terms of any composition or arrangement with any creditor or any member of the Group or the Parent Company;
- iv. the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or the Guarantor or other person or non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of the said security;
- v. any amendment, novation, supplement, extension, reinstatement (however fundamental and whether or not more onerous) or replacement of the Prospectus or Security, including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under the Prospectus or the Security;
- vi. any unenforceability, illegality or invalidity of any obligation of the Issuer under the Prospectus or the Guarantor under the Security; or
- vii. any insolvency or similar proceedings of the Issuer or Guarantor.

7. Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of the Issuer or in respect of the Guarantor under the Security for those obligations or otherwise) is made by the Security Trustee in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation or otherwise, without limitation, then the liability of the Guarantor under this Guarantee will continue or be reinstated as if the discharge, release or arrangement had not occurred.

8. Appropriations

Until all amounts which may be or become payable by the Issuer under or in connection with the Prospectus have been irrevocably paid in full, the Security Trustee may:

- i. refrain from applying or enforcing any other moneys, security or rights held or received by the Security Trustee in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and

- ii. hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under the Guarantee.

9. Deferral of Guarantor's rights

Until all amounts which may be or become payable by the Issuer under or in connection with the Prospectus have been irrevocably paid in full and unless the Security Trustee otherwise directs, the Guarantor will not exercise any rights which it may have by reason of performance by it or its obligations under the Prospectus or by reason of any amount being payable or liability arising under this Guarantee:

- i. to be indemnified by the Issuer;
- ii. to claim or exercise any rights of contribution from the Issuer;
- iii. to exercise its rights of subrogation and reimbursement against the Issuer;
- iv. to claim or exercise any set-off or counterclaim against the Issuer or claim or prove in competition with the Security Trustee in the liquidation of the Issuer;
- v. to bring legal or other proceedings for an order requiring the Issuer to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity pursuant to this Guarantee;
- vi. to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Trustee under the Security Trust Deed or of any other guarantee or security taken pursuant to, or in connection with the Prospectus by the Security Trustee.

If the Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Security Trustee by the Issuer under or in connection with the Prospectus to be repaid in full on trust for the Security Trustee and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct.

10. Security

In order to better guarantee the obligations undertaken by it on this Guarantee, the Guarantor shall constitute in favour of the Security Trustee for the benefit of the Bond Holders, the Security for the maximum sum set out in clause 11.

11. Maximum Liability

The amount due by the Guarantor to the Security Trustee under this Guarantee shall be up to and shall not exceed €20,000,000 other than for interests due up to Maturity Date and costs and expenses relating to the protection, preservation, collection or enforcement of the Security Trustee's rights arising under the Security Trust Deed and the Security against the Issuer and/or Guarantor.

12. No Assignment

The Guarantor shall not be entitled to transfer, novate or assign any of its obligations under this Guarantee.

13. Additional Guarantee

This Guarantee is in addition to and not in substitution for any present and future guarantee, charge or other security held by the Security Trustee for the benefit of the Bond Holders. The Security Trustee's rights under this Guarantee are in addition to and not exclusive of those provided by law.

14. Warranties and Representations

The Guarantor represents and warrants now and for as long as the Guarantee shall remain in force, that:-

- i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry out its business;
- ii. it has the power, capacity and authority to grant this Guarantee and perform its obligations therein contained;
- iii. the execution, delivery and performance by the Guarantor is not inconsistent with its memorandum and articles of incorporation and applicable law;
- iv. this Guarantee constitutes valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;

- v. the execution of this Guarantee will not breach law, rule, regulation, judgement, decree or permit to which the Guarantor is or may be subject, or any agreement or other instrument to which the Guarantor is a party or is subject, or by which it or any of its property is bound;
- vi. it is not engaged in litigation, arbitration or administrative proceedings of a material nature and nor is it threatened with any such procedures;
- vii. save for any other priority and preference created by virtue of the Security, the obligations binding under this Guarantee rank at least *pari passu* with all other present and future unsecured indebtedness of the Guarantor with the exception of any obligations which are mandatorily preferred by law;
- viii. all the information, verbal or otherwise tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts.

15. Notices

Any notice required or permitted to be given shall be in writing and may be served personally or by registered mail, return receipt requested, addressed to any of the parties at the addresses set forth above. Such notices shall be effective upon delivery.

Either party may, by like notice to the other party, at any time and from time to time, designate a different address to which notices shall be sent.

16. Applicable Law and Jurisdiction

This Guarantee shall be governed by and construed in accordance with Maltese Law.

In the event of any dispute relating to this Guarantee, the Parties hereto shall make every effort to settle amicably. If no settlement is reached within fifteen (15) Business Days from the date on which the dispute, controversy or claim shall have arisen, the dispute, controversy or claim shall be settled by arbitration in accordance with the provisions of Part IV of the Arbitration Act 1996 and the Arbitration Rules of the Malta Arbitration Center shall apply. There shall be one arbitrator who shall be appointed by the Chairman of the Malta Arbitration Centre in the event that the parties fail to agree on an arbitrator between them within ten (10) days from one party calling on the other for such purpose.

The Parties unconditionally and irrevocably agree to submit any dispute, controversy or claim arising out of or relating to this Guarantee, or the breach, termination or invalidity thereof to final and binding arbitration in terms of the Arbitration Act as aforementioned.

IN WITNESS THEREOF the Guarantor has executed this Deed of Guarantee the day and year first before written.

For and on behalf of
Easysell Limited
Guarantor

For and on behalf of
CSB Trustees and Fiduciaries Ltd
Security Trustee

ANNEX 2 - APPLICATION FORM

TUM Finance plc

€20,000,00 3.75% Secured Bonds 2029

APPLICATION FORM

Application No. _____

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable. Unless otherwise indicated, each of the panels below is to be completed.

A	APPLICANT (see notes 2 to 7)		
	<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Corporate
	<input type="checkbox"/> CIS		
B	TITLE (Mr/Mrs/Ms/...)		
	FULL NAME & SURNAME / REGISTERED NAME		LEI (if applicable)
	ADDRESS		
			POST CODE
	MSE A/C NO. (if applicable)		I.D. CARD / PASSPORT / COMPANY REG. NO.
	E-MAIL ADDRESS		TEL NO.
			MOBILE NO.
	Already Registered for e-Portfolio <input type="checkbox"/>	Please register me for e-Portfolio <input type="checkbox"/>	Please do NOT register me for e-Portfolio <input type="checkbox"/>
C	ADDITIONAL (JOINT) APPLICANTS (see note3) (please use additional application form if space is not sufficient)		
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
D	MINOR'S PARENTS/LEGAL GUARDIANS (See Note 4) (to be completed ONLY if the Applicant is a minor)		
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
E	I/We apply to purchase and acquire the amount set out below (see Notes 8 and 9)		
	AMOUNT IN FIGURES €	AMOUNT IN WORDS	
	In respect of a €20,000,000 3.75% Secured Bonds 2029 issued by TUM Finance plc (minimum of €2,000 in multiples of €100 thereafter) at the Bond Issue Price (at par) as defined in the Prospectus dated the 3 rd June 2019 (the "Prospectus") in terms of the Terms and Conditions as set out in the Prospectus.		
F	RESIDENT - WITHHOLDING TAX DECLARATION (see note 9 & 10) (to be completed ONLY if the Applicant is a Resident of Malta)		
	<input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest.		
	<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).		
G	NON-RESIDENT DECLARATION FOR TAX PURPOSES (see Note 12) (to be completed ONLY if the Applicant is a Non-Resident)		
	TAX COUNTRY	TOWN OF BIRTH	
	T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH	
H	PASSPORT/NATIONAL I.D. CARD NUMBER		
	ISSUE DATE		
	<input type="checkbox"/> I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union.		
	<input type="checkbox"/> I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.		
INTEREST, REFUND AND REDEMPTION MANDATE (see Note 11) (completion of this panel is mandatory)			
	BANK	IBAN	
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application on the basis of the Prospectus, and subject to its Terms and Conditions (as defined therein) which have been explained to me/us, and which I/we fully accept.			
_____ Signature/s of Applicant/s (All parties are to sign in the case of a joint Application)		_____ Financial Intermediary	_____ Date
FINANCIAL INTERMEDIARY'S STAMP		FINANCIAL INTERMEDIARY'S CODE	

Notes on how to complete this Application Form and other information

1. The following is to be read in conjunction with the Prospectus dated 3rd June 2019 regulating the Bond Issue. In particular this Application is governed by the Terms and Conditions of Application contained in Section 4.8 of the Securities Note dated 3rd June 2019 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS.

3. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including husband and wife) full details of all individuals – including I.D. Card Numbers – must be given in Panels B and C but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below).

Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel B) will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Secured Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form (in Panel B). Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
5. Applicants who are Non-Resident in Malta for tax purposes must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
6. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.
8. Application must be for a minimum of €2,000 and thereafter in multiples of €100. The Applicant must ensure that the relative Application Form is accompanied by payment of the full price of the amount of Bonds applied for. Payment of the amount, must be made in Euro in cleared funds to "The Registrar – TUM Finance plc". In the event that the cheque accompanying the Application Form is not honored on the first presentation the Issuer and the Registrar reserve the right to invalidate the relative Application.
9. Only Applicants who hold an official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of Final Withholding Tax), but he/she will be obliged to declare interest so received on his/her tax return. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have Final Withholding Tax, currently 10%, deducted from interest payments.
10. In terms of Section 5<> of the Prospectus, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of 'recipient' in terms of article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), Interest shall be paid to such a person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Tax Act (Cap. 123 of the Laws of Malta).
11. If any Application is not accepted, after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in the Application Form. Interest or redemption proceeds will be credited to the account designated or as otherwise amended by the Bondholder/s during the term of the Bond.
12. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
The contents of Notes 9, 10 and 12 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
13. The Offer Period will open on the 12th June 2019 and will close on the 26th June 2019. Completed Application Forms are to be delivered to the offices of any of the Authorised Financial Intermediaries listed in Annex II of the Securities Note by not later than 12:00 of 26th June 2019. Authorised Financial Intermediaries are to submit completed Application Forms representing the total amount committed in terms of the respective Placement Agreement as mentioned in Section 8.4 of the Securities Note by latest 12:00 on 26th June 2019. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of Application as contained in the Prospectus.
14. By completing and delivering an Application Form you (as the Applicant(s)):
 - a. acknowledge that the Issuer or its duly appointed agents including the CSD and the Registrar, or the Authorised Financial Intermediary through whom the Application Form is delivered may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. acknowledge that the Issuer or its duly appointed agents including the CSD and the Registrar, or the Authorised Financial Intermediary (as applicable) may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by them. Any such requests must be made in writing and addressed to the Issuer, its agents, the CSD, the Registrar or the Authorised Financial Intermediary (as applicable) at their respective address as mentioned in the Prospectus. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

ANNEX 3 – AUTHORISED FINANCIAL INTERMEDIARIES

Calamatta Cuschieri Investment Services Ltd
Address: Ewropa Business Centre, Triq Dun Karm Birkirkara, BKR 9034
Telephone: 2568 8688

Lombard Bank Malta plc
Address: 67, Republic Street Valletta, VLT 1117, Malta
Telephone: 2558 1112

ANNEX 4 - FINANCIAL ANALYSIS SUMMARY

FINANCIAL ANALYSIS SUMMARY

Tum Finance p.l.c.

3rd June 2019





The Directors
Tum Finance p.l.c.
Tum Invest,
Mdina Road,
Qormi, Malta
QRM 9010

3rd June 2019

Dear Sirs,

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the Financial Analysis Summary (the "Analysis") set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Tum Finance p.l.c. (C91228) ("the Issuer"), and Easysell Limited (C9778) ("the Guarantor") and related companies within the group as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the three years ended 31 December 2016 and 2017, and the estimated projections for the period ending 31 December 2018 has been extracted from the audited financial statements and the interim management accounts of the Guarantor respectively.
- (b) The forecast data for the financial year 2019 and the year ending 2020 have been provided by management.
- (c) Our commentary on the Issuer's and the Guarantor's results and financial position is based on the explanations set out by the Issuer in the Prospectus and Listing Authority Policies.
- (d) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist potential investors by summarising the more important financial data set out in the Prospectus. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. The Analysis does not constitute an endorsement by our firm of the proposed bond issue and should not be interpreted as a recommendation to invest in the Bonds. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. Potential investors are encouraged to seek professional advice before investing in the bonds.

Yours sincerely,

Nick Calamatta

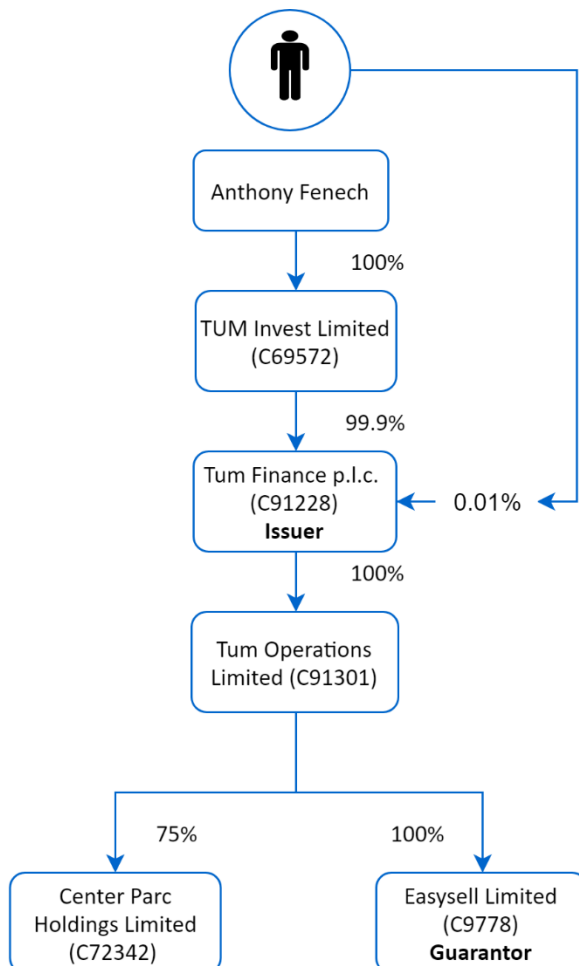
Table of Contents

Part 1 - Information about the Group	38
1.1 Issuer, Guarantor and Group’s Subsidiaries Key Activities and Structure.....	38
1.2 Directors and Key Employees.....	39
1.3 Major Assets owned by the Group.....	40
1.4 Operational Developments	40
Part 2 – Historical Performance and Forecasts.....	41
2.1 Guarantor’ Statement of Comprehensive Income	41
2.2 Guarantor’ Statement of Financial Position	42
2.3 Guarantor’ Statement of Cash Flows	43
2.4 The Group’s Financial Forecast	44
Part 3 – Key Market and Competitor Data	47
3.1 General Market Conditions	47
3.2 Comparative Analysis	49
Part 4 - Glossary and Definitions	51

Part 1 - Information about the Group

1.1 Issuer, Guarantor and Group's Subsidiaries Key Activities and Structure

The Group structure is as follows:



The “**Group**” of companies consists of TUM Invest Limited being the Parent Company of the Group, the Issuer acting as the finance and holding company of the Group, Tum Operations Limited, Center Parc Holdings Limited of which the Group owns 75% and the Guarantor. The objective of the Group is to manage investment property held for rental income, in addition to acquiring and developing new properties to enhance the Group’s existing revenues.

The “**Issuer**”, Tum Finance plc (TFP), was incorporated and registered under Maltese Law as a public liability company with registered address at (Tum Finance p.l.c., Tum Invest, Mdina Road, Qormi QRM 9010) and company registration number C 91228. The issuer is, except for two ordinary shares that are held by the ultimate beneficiary owner (UBO) Anthony Fenech, a fully owned subsidiary of Tum Invest Limited, the latter being the “**Holding Company**” of the Group. The Issuer, which was set up and established to act as a finance vehicle, has an authorised share capital of €20,000,000 divided into 20,000,000 shares of one Euro (€1) each, all fully paid up.

The “**Guarantor**”, Easysell Limited (ESL), was incorporated on the 5th July 1988 and registered under Maltese Law as a private limited liability company with registered address at Tum Invest, Mdina Road, Qormi QRM 9010, Malta and company registration number C 9778. The Guarantor through Tum Operations Limited is, except for one ordinary share that is held by the Commercial Vehicles Imports Limited, a wholly owned subsidiary of the Issuer. The authorised and issued share capital of the Guarantor, as at the date of the Prospectus, is €1,164,868.50 divided into 500,000 ordinary shares of €2.329373 each share all fully paid up. The principal objective of the Guarantor is to acquire, develop and manage property primarily for commercial purposes.

Tum Operations Limited (TOL), a fully owned subsidiary of the Issuer, is a private limited liability company registered under the laws of Malta on 1st April 2019, with company registration number C89468 and registered office at Tum Invest Mdina Road, Qormi QRM 9010. Tum Operations Ltd has an authorised and issued share capital of €12,000,000 divided into 2,000,000 ordinary shares and 10,000,000 preference shares of €1 each share fully paid up. Tum Operations Ltd holds the investments in the special purpose vehicles owning the investment property assets and does not have any daily operations.

Center Parc Holdings Limited (CPL) (C72342) was incorporated on 23rd September 2015. The issuer holds seventy five per cent of the shares and voting rights in Center Parc Holdings Limited. The remaining twenty five per cent are held by another shareholder independent of the Group. Center Parc Holdings Limited was set up primarily to acquire, develop and manage property for commercial purposes and owns the Center Parc Property which is currently still under development and is expected to be completed by not later than the third quarter of 2019.

1.2 Major Assets owned by the Group

The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a holding and financing company.

The Group, through the Guarantor owns a property that comprises a showroom, an underground floor and overlying offices situated at Mdina Road, Qormi. The property, known as Zentrum Business Centre consists of an area of 6200 square meters and is currently rented out to two tenants. Motors Inc. Limited rents the basement level, the ground floor level which is used as a showroom, and part of the first floor level which it uses as offices. Malta Public Transport rents office space at ground floor and first level floor. This property is being further developed and will include another building comprising five basement levels, a showroom at ground level, and two levels of office space once completed. The said property will be held as a security for the proposed bond issue.

The Guarantor also owns property at 66 Saint Rita Street, Sliema. This property consists of a two-bedroom townhouse purchased in 1999. It has a footprint of circa one hundred square meters on two floors. This property is currently rented out to third parties.

Center Parc Holdings Limited owns the Center Parc Property situated in Qormi, limits of Marsa, in the district known as 'Ta' Stabal', forming part of the land known as 'Ta' L-Erbgha Qaddisin' having an area of approximately 9560 square meters. The Group is set to open the Center Parc Retail Hub, a major retail destination in Qormi. This property is currently under construction whereby development and finishing work is expected to be completed by June 2019.

1.3 Directors and Key Employees

Board of Directors - Issuer

As at the date of the prospectus, the Issuer is constituted by the following persons:

Name	Office Designation
Mr. Anthony Fenech	Chairman and Executive Director
Mr. Silvan Fenech	Executive Director
Mr. Matthew Fenech	Executive Director
Mr. Stanley Portelli	Independent non-executive Director
Mr. Mario Vella	Independent non-executive Director
Mr. William Wait	Independent non-executive Director

The business address of all of the directors is the registered office of the Issuer. Refer to section 8 of the registration document for the curriculum vitae of the Issuer's directors. Dr. Keith Farrugia is the company secretary of the Issuer.

Board of Directors – Guarantor

As at the date of the prospectus, the Guarantor are constituted by the following persons:

Name	Office Designation
Mr. Anthony Fenech	Chairman and Executive Director
Mr. Silvan Fenech	Executive Director
Mr. Mario Vella	Independent non-executive Director

The business address of all of the directors is the registered office of the Issuer.

The board is composed of six directors who are responsible for the overall direction and management of the Issuer. Three executive directors are entrusted with the Issuer's day-to-day management whereas three non-executive directors, all of whom are independent of the issuer, are to provide the Issuer with direction and strategy, monitoring and supervision of its performance, while ensuring that controls and risk management systems are adequately in place. The Issuer does not have any employees of its own, and thus the day-to-day business of the Issuer has been delegated to the Parent Company and its employees.

The Guarantor has its own board of directors, which is responsible for the management, and direction of the Guarantor. Two executive directors and an independent non-executive director that also sit on the Board of the Issuer, govern the Guarantor. As is the case with the Issuer, the day-to-day business of the Guarantor has been delegated to the Parent Company and its employees.

1.4 Operational Developments

As described above, the Group through the Guarantor, owns a property that currently comprises a showroom, an underground floor and overlying offices situated at Mdina Road, Qormi. The Group will utilise €4.5 million out of the net bond proceeds to refinance existing loan facilities and settle any outstanding costs in respect of the development of the second building adjacent to the existing (one) building.

This property, known as Zentrum Business Center is being further developed and will include another building consisting five basement levels, a showroom at ground level, and two levels of office space once completed. Development is expected to be completed by June 2019.

The leasable area of the entire property amounts to 14,538 square meters. Lease agreements concerning the new building are concluded or are in the process of being concluded. The Guarantor has entered into an agreement with Motors Inc. Limited to lease the new showroom and three and a half floors of the new car park. Motors Inc. Limited is now expected to relocate and consolidate all its operations in the new building.

Management expect the currently uncontracted office space in the new building to be leased out on similar terms and conditions as the agreements signed with the other tenants in the same building. Management are in advance discussions with a number of prospective tenants.

As discussed above, Center Parc Holdings Limited is developing The Center Parc Retail Hub which is set to become a major retail destination in Qormi. The Group will utilise €13.25 million out of the net bond proceeds to refinance existing loan facilities and to finance any outstanding development cost on the Retail Hub currently being developed by Center Parc Holdings Limited. This property is located within an existing retail hub which includes the Pavi and Lidl supermarkets as well The Landmark retail complex.

The Center Parc Property is currently under construction and is expected to be completed and to open its doors to the public by June 2019. The property will have a leasable area of 9,818 square meters and an adjoining car park to service the retail operations.

Management of Center Parc Holdings Limited has already secured rental agreements with third party tenants for the entire leasable retail space available. Center Parc Holdings Limited will charge tenants a base rent in addition to a service fee. Moreover, a yearly rental increase is included in the tenants' respective lease agreements.

Tenants within The Center Parc Retail Hub operate in various lines of business including clothing, electronics and catering. The different units have been rented out for fixed periods ranging between three to five years. Thereafter, the said lease agreements may be further extended by the current tenants for one year periods up to a maximum number of years.

Part 2 – Historical Performance and Forecasts

The Issuer was incorporated on 19th March 2019 and, accordingly, has no trading record or history of operations. Furthermore, the Issuer itself 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 the Group's fellow subsidiaries. Consequently, Tum Finance plc will issue consolidated financial figures that will capture the operations of all the companies within the Group.

For the purpose of this document, the focus is on a review of the performance of the Guarantor and the Group. The Guarantor's historical financial information for the period ended 31 December 2016 and 31 December 2017, is set out in the audited financial statements of the Guarantor section 2.1 to 2.3 of this Analysis. This section also includes the projected performance of the Guarantor for the period ending 31 December 2018. Forecasts of the Group's consolidated figures are based on management projections and are set out in section 2.4 of this Analysis.

2.1 Guarantor' Statement of Comprehensive Income

The Guarantor, Easysell Limited, carries on all or any of the business related to acquiring, developing and managing property primarily for commercial purposes. The audited historical performance for the period ended 31 December 2016 to 31 December 2017, in addition to the projected performance for the period ending 31 December 2018, are presented below.

Statement of Comprehensive Income	Dec-16 Audited	Dec-17 Audited	Dec-18 Forecasted
	€000s	€000s	€000s
Revenue	405	405	421
Cost of sales	-	-	-
Gross profit	405	405	421
Other operating Income / Expenses recharge	38	38	55
Administrative expenses	(100)	(66)	(97)
EBITDA	343	377	379
Depreciation and amortisation	-	-	-
Finance costs	(29)	(72)	(133)
Profit before tax	314	305	246
Income Tax Expense	(93)	(94)	n/a
Net Income	221	211	246

Ratio Analysis	Dec-16	Dec-17	Dec-18
Gross Profit Margin (Gross Profit / Revenue)	100.0%	100.0%	100.0%
EBITDA Margin (EBITDA / Revenue)	84.7%	93.1%	90.0%
Net Margin (Profit for the year / Revenue)	54.6%	52.1%	58.4%

The Guarantor generates revenue through rental income derived from the showroom and adjoining offices at the Guarantor's property in Qormi. Revenue in 2018 increased by 3.9% or from €405,000 in 2017, to €421,000 in 2018. Such increase in revenue is mainly attributable to the rental contractual increases relating to the two tenants currently occupying the property.

Administrative expenses increased by a CAGR of 1.6% due to changes in utilities, bank charges and warranty costs. Moreover, finance costs increased by 359% or €104,000 from €29,000 in 2016 to €133,000 in 2018. This upsurge in finance costs was primarily initiated as a result of higher bank borrowings to finance the extension of the Guarantor's project.

Property that is held by the Guarantor for long-term rental yields or for capital appreciation or both, is classified as investment property and is measured at fair value. Subsequently, as illustrated in the Guarantor's historical performance presented above, no depreciation costs are incurred by the Group.

Moreover, the Guarantor is taxed at a final tax rate of 15% on gross rental income from third parties and at a 35% on rental income generated from related party tenants after allowing for a 20% maintenance allowance in accordance with existing tax legislation.

As illustrated in the audited historic data presented above, both the Guarantor's EBITDA margin and net margin have continuously improved. The EBITDA margin and net margin stood at 90% and 58.4% in 2018, demonstrating an improved position from the net margin and the EBITDA margin of 2016, which stood at 84.7% and 54.6% respectively.

2.2 Guarantor' Statement of Financial Position

Statement of Financial Position	Dec-16 Audited €000s	Dec-17 Audited €000s	Dec-18 Forecasted €000s
Non-current assets			
Investment Property	10,767	12,749	14,600
	10,767	12,749	14,600
Current assets			
Other receivables	770	756	92
Cash and cash equivalents	72	-	-
	842	756	92
Total assets	11,609	13,505	14,692
Equity and liabilities			
Capital and reserves			
Share capital	1,165	1,165	1,165
Accumulated Profits / (Losses)	(107)	104	350
FV Reserve	3,990	3,990	3,990
Total equity	5,048	5,259	5,505
Non-current Liabilities			
Bank loans	1,346	2,950	3,727
Bank Overdraft	89	95	46
Shareholders Loan	223	164	374
Other due to related parties	3,508	3,475	4,040
	5,166	6,684	8,187
Current liabilities			
Deferred tax liability	1,000	1,000	1,000
Trade Payables	303	554	84
Tax Liabilities	92	8	(84)
	1,395	1,562	1,000
Total liabilities	6,561	8,246	9,187
Total equity and liabilities	11,609	13,505	14,692

Total assets as of 2018 mainly comprise of investment property which accounts for 99.4% of the Guarantor's total assets. An increase in value of investment property reflects investment costs incurred on the Guarantor's property, which was primarily driven by investment in the new extension. In the latter period, investment property was revalued upwards by €3.8 million, from €10.8 million in 2016 to €14.6 million as of 31 December 2018.

Furthermore, current assets in 2018 comprised only 0.6% of the Guarantor's total assets. Other receivables represent the principal component of current assets, and consist of rent due by tenants, amounts due from related parties and advance deposits paid to contractors on signing of contractual arrangements in connection with the property extension. Other receivables decreased by 88.1% or €678,000 from €770,000 in 2016 to €92,000 in 2018.

Non-current liabilities represents 89.1% of the Guarantor's total liabilities in 2018. Non-current liabilities comprise of bank borrowings, bank overdrafts, shareholders loan and other payments due to related parties. In order to finance the extension of the ESL property, bank borrowings increased by 177% or €2.4 million from €1.3 million in 2016 to €3.7 million in 2018. The latter has resulted into a Total Debt to Total Assets ratio of 56% in 2018, representing an increase of 11.5% in comparison to the previous financial year. As described in the use of proceeds, these loans will be paid-off from the proceeds of the proposed bond issue. Of note, the investment property held by the Guarantor has been financed through a €3.8 million bank loan with the remaining balance financed through shareholders' funds.

Current liabilities in 2018 represented 10.9% of the total Guarantor's liabilities. Current liabilities comprise of trade payables, deferred tax liabilities and tax liabilities respectively. Trade payables are primarily composed of amounts due to contractors on the new property development. The majority of advance deposits paid to contractors were released against works performed on the investment property, thus contributing to an overall decrease in trade payables of 85% in 2018. Deferred tax liabilities mainly refer to the tax liabilities recognised as a result of the revaluation of the ESL property.

2.3 Guarantor' Statement of Cash Flows

Statement of Cash Flows	Dec-16 Audited €000s	Dec-17 Audited €000s	Dec-18 Forecasted €000s
Cash flows from operating activities			
EBITDA	343	377	379
Movement in Working Capital	(412)	264	193
Interest Expense Paid	(122)	(72)	(133)
Tax Paid	(75)	(177)	(91)
Net cash flows generated from operating activities	(266)	391	347
Cash flows from investing activities			
Capex Growth	(702)	(1,981)	(1,851)
Net cash flows (used in) investing activities	(702)	(1,981)	(1,851)
Cash flows from financing activities			
Borrowings	1,097	1,550	939
Related Party Borrowings	(58)	(32)	565
Net cash flows generated from financing activities	1,039	1,518	1,504
Movement in cash and cash equivalents	71	(72)	-
Cash and cash equivalents at start of year	-	72	-
Cash and cash equivalents at end of year	72	-	-

In 2017, EBITDA of the Guarantor improved from €0.34 million in 2016 to €0.38 million in 2018, which led to a consequent increase in the cash flow from operating activities. The latter increased from negative €0.27 million in 2016 to €0.35 million in 2018.

Movement in working capital in 2018 was primarily the result of movements in advanced payments made to contractors for the new property as well as an increase in amounts due to the said contractors once the work on the property commenced. Moreover, interest expense refers to the interest incurred on the existing credit facilities.

The Growth in CAPEX reflects the additional investment made in relation to the extension of the Guarantor's property. In 2018, part of the construction costs on the extension were financed through shareholder's loan as the respective bank facility was drawn down in full.

The closing cash and cash equivalents balance for the period between 2016 and 2018 is negatively impacted by investment undertaken relating to the extension of the ESL property.

2.4 The Group's Financial Forecast

Projected Income Statement	F2019	P2020
	€000s	€000s
Rental Revenue	1,650	2,998
Service Revenue	86	172
Total Revenue	1,736	3,170
Overheads	(201)	(279)
EBIDTA	1,535	2,891
Depreciation and amortisation	(30)	(40)
EBIT	1,505	2,851
Fair value movement on Property	14,318	-
Interest income	-	1
Interest expense	(744)	(800)
Profit before tax	15,079	2,052
Tax	(237)	(452)
Deferred tax on property revaluation	(1,577)	-
Net Income	13,265	1,600

Annual rental revenue includes rental income from ESL and CPL. Rental revenue is projected to reach approximately €3 million in the first full twelve month period in 2020, growing by a CAGR of 2.5% annually thereafter. Moreover, the service charge is assumed to increase by a CAGR of 1.3% reaching a total of €172,000 in the first full twelve month period in 2020.

Overhead expenses include maintenance, utility, common area expenses and other administrative expenses, whereby part of these costs are recovered through the service charge recognised. These are projected to grow at an annual CAGR of 4.8% per annum.

The Group's depreciation costs are projected to amount to €30,000 and €40,000 in 2019 and 2020 respectively and remain constant thereafter. As previously discussed, there will be no depreciation costs incurred by the Guarantor. Therefore, the aforementioned depreciation costs incurred by the Group are deemed to be incurred by CPL on Property, Plant and Equipment upon the initiation of operations of The Center Parc Retail Hub in Qormi.

Following the improvements and developments on the ESL and CSL properties, fair value movement/gain on property is projected to amount to €14.3 million in 2019. Thereafter, no further property fair value movements/gains are forecasted.

The interest expense which is projected to be incurred in 2019 amounts to €744,000 and mainly relates to the interest cost of the existing loans and on the interest charge in the new Bond. The interest expenses incurred by the Group are projected to reach €800,000 in 2020 and remain constant thereafter.

Tax is projected to be incurred at a flat rate of 15% over the rental income on third party tenants and at a 35% tax rate on related party rental income after deducting a 20% maintenance allowance. Projected tax charges and refunds are based on current tax legislations.

Projected Balance Sheet	F2019	P2020
	€000s	€000s
Assets		
Non-current assets		
Operating assets	57,214	57,214
	57,214	57,214
Current assets		
Cash and cash equivalents	2,644	4,195
Tax receivable	67	156
	2,711	4,351
Total assets	59,925	61,564
Equity and liabilities		
Capital and reserves		
Share capital	17,647	17,647
Revaluation reserve	12,741	12,741
Retained earnings	(1,339)	(50)
Minority interest	2,863	3,074
Total equity	31,912	33,512
Non-current liabilities		
Third party debt facilities	19,630	19,670
Deferred tax liabilities	5,136	5,136
Amounts due to TUM	2,000	2,000
Amounts due to V&C	646	646
	27,413	27,452
Current liabilities		
Accrued interest expense	600	600
Total liabilities	28,013	28,053
Total equity and liabilities	59,925	61,564

Total assets in 2019, mainly comprise of operating assets, which represents 95.5% of total assets. The latter, takes into account the implementation of additional investment with regards the ESL and CPL properties. Operating assets are deemed to remain constant over the forecasted period.

Cash and cash equivalents are anticipated to amount to €2.6 million and €4.2 million in 2019 and 2020 respectively. This increase is deemed to be in line with the additional cash received by the Group upon commencement of operations of the new developments on the ESL and CSL properties. Tax receivable listed under current assets reflects the tax refund due to TFP.

Following the first full twelve month period from the commencement of operations of the new developments in 2020, retained earnings are projected to improve and stand at negative €0.05 million from negative €1.3 million in 2019. Minority interest which relates to the twenty five per cent ownership of CPL held by another shareholder independent of the Group, are also projected to marginally increase from €2.9 million in 2019 to €3.1 million in 2020. The latter have contributed towards a projected increase in the Group's total equity of €1.6 million from €31.9 million in 2019 to €33.5 million in 2020.

In comparison, total liabilities in 2019 and 2020 are projected to amount to €28 million and €28.1 million respectively. The amounts outstanding to TUM and V&C are assumed to remain constant throughout the projection period. Third party debt in 2019 and 2020 reflects the proposed €20 million bond reported net of issue costs. Additionally, deferred tax liabilities refer to tax liabilities recognised as a result of the revaluation of the ESL and CPL properties. These are projected to amount to €5.1 million in 2019 and remain constant thereafter.

Accrued interest expense listed under current liabilities consists of the bond interest outstanding as at 31 December. Bond interest is assumed to be paid annually every March. The gearing level (Net Debt / Total Equity) in 2019 is projected to stand at 53.2%. Following the increase in total equity as described above, the gearing level will decrease to 46.2% in 2020. The return on common equity in 2019 and 2020 are projected to stand at 41.9% and 4.9% respectively. The main reason for such discrepancy relates to the assumption that unlike in 2019, no property fair value movement is projected from 2020 onwards. Furthermore, the Group's interest coverage ratio (EBITDA / Interest Paid) is projected to stand at 2.1x in 2019 and at a healthy level of 3.6x in 2020.

Projected Cash Flows	F2019	P2020
	€000s	€000s
Cash flows from operating activities		
EBITDA	1,535	2,891
Movement in net working capital	44	-
Interest income received	-	1
Interest expense paid	(144)	(800)
Tax paid	(303)	(541)
Net cash flows generated from operating activities	1,132	1,551
Cash flows from investing activities		
CAPEX	(3,546)	-
Net cash flows used in investing activities	(3,546)	-
Cash flows from financing activities		
Bond drawdown / repayment	19,600	-
Repayment of existing debt	(14,448)	-
Movement in other liabilities (Tax liabilities & Capital Creditors)	(145)	-
Net cash flows generated from financing activities	5,007	-
Movement in cash and cash equivalents	2,593	1,551
Cash and cash equivalents at start of year	51	2,644
Cash and cash equivalents at end of year	2,644	4,195

The Group is anticipated to have a positive net cash from operations for both the projected years 2019 and 2020, which stands at €1.1 million and €1.6 million respectively. Cash from investing activities will mainly be affected in 2019, whereby outstanding capital expenditure is projected to be fully incurred and paid in 2019. No maintenance expenditure is projected, other than repairs and maintenance expenses included in overheads, as further described in this section through the Group's forecasted Income Statement analysis. Cash flows from financing activities will largely be impacted in 2019 following the receipt of the bond proceeds.

Ratio Analysis	F2019	P2020
Profitability		
Growth in Revenue (YoY Revenue Growth)	n/a	81.7%
EBITDA Margin (EBITDA / Revenue)	88.4%	91.2%
Operating (EBIT) Margin (EBIT / Revenue)	86.7%	89.9%
Net Margin (Profit for the year / Revenue)	764.1%	50.5%
Return on Common Equity (Net Income / Total Equity)	41.6%	4.9%
Return on Assets (Net Income / Total Assets)	22.1%	2.6%
Cash Flow		
Free Cash Flow (Net cash from operations - Capex)	€(2,414)	€1,551
Financial Strength		
Gearing 1 (Net Debt / Total Equity)	53.2%	46.2%
Gearing 2 (Total Liabilities / Total Assets)	46.7%	45.6%
Net Debt / EBITDA	11.1x	5.4x
Current Ratio (Current Assets / Current Liabilities)	4.5	7.3
Net Debt / Net cash from operations	15.01	9.98
Interest Coverage (EBITDA / Cash interest paid)	2.1	3.6

Part 3 – Key Market and Competitor Data

3.1 General Market Conditions

The Group is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget and their profitable operation. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and rental rates. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Group's planning during development, this shall have an adverse impact on the financial condition of the Group and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

Economic Update¹

In the third quarter of 2018, the pace of economic expansion in Malta accelerated, with real gross domestic product ("GDP") rising by 7.5% on a quarterly following a growth of 6.1% in the previous quarter. During the same period the rate of economic expansion in the euro area has moderated, with real GDP rising by 0.2% on a quarterly basis following two quarters of constant growth of 0.4%. Growth in Malta was supported by a strong increase in domestic demand, particularly private consumption. Net exports also contributed, albeit to a lesser extent. The slowdown in the euro area's GDP growth during the third quarter of 2018 reflected a negative contribution from external demand with net exports, after having a broadly neutral contribution in the previous quarter.

The Maltese labour market conditions remained favourable in the third quarter of 2018, as employment grew strongly and the unemployment rate fell compared with the preceding year, notwithstanding a further increase in labour market participation rates and rising foreign employment. At 3.7%, the unemployment rate remained below the Central Bank of Malta ("CBM") structural measure of 4.2% and thus continued to suggest a degree of tightness in the labour market.

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) accelerated to 2.5% in September from 2.0% in June. The pick-up was largely driven by a higher contribution from food prices, although non-energy industrial goods and energy inflation also edged up. Inflation based on the Retail Price Index (RPI), which only takes into account purchases by Maltese households, stood at 1.6% in September, up from 1.0% three months earlier.

In 2019, real GDP growth is projected to moderate further to 5.2%². As global demand moderates, economic growth is expected to continue relying on domestic demand, underpinned by high private and public consumption. Investment growth is expected to pick up on the back of large-scale infrastructure projects in the health, tourism and real estate sectors.

The strong economic growth sustained by the Maltese economy in recent years has contributed to a rise in the employment rate and the influx of foreign workers within the Maltese workforce. This has contributed to an increase in the demand for rental of office and commercial space in Malta. To address such growing demand, the supply of office and commercial space in Malta have considerably increased over the last couple of years. Of note, there are several traditional businesses areas in Malta. For instance, Sliema attracts many international brands and companies. Likewise, Valletta being Malta's capital city is considered as the hub for law firms and many long-established family businesses. Other traditional commercial areas include the likes of St Julian's which is popular for its sea-view offices and Floriana, which attracts businesses that want to be located in the vicinity of Valletta. In furtherance, there are also top quality commercial developments within in the proximity of the airport and in other residential areas such as Naxxar, Mosta, Mellieha and in other parts of the south of Malta. The variety of commercial and office space in Malta cater for every type of business, from start-ups to established global organisations. In this regard, numerous business centres have recently been developed, with new centres in the pipeline. These include SkyParks, The Quad, Trident Park, The Centre, Aragon House Business Centre, amongst others.

¹ Central Bank of Malta – Quarterly Review No.1 2019

² European Commission's Winter 2019 Economic Forecast

The retail sector in Malta has lately undergone a gradual transformation, whereby it was fragmented with small businesses and a limited number of importers, wholesalers and distributors. Subsequent to Malta's entrance in the European Union (EU) in 2004, the liberalisation of the market greatly encouraged foreign chains to set up in Malta, forcing local traders to come up with more convenient and unique distribution strategies. The 'all-under-one-roof' concept has been gaining popularity among the general public, as witnessed by the opening of a number shopping destinations in Malta such as The Point Shopping Mall, Main Street Shopping Complex and The Plaza Shopping Centre. This concept has allowed individuals to sort out their shopping under one roof rather than having to go to different retail shop in multiple locations. Growing consumer expectations have resulted into shops staying open for longer hours, instead of closing during lunch hours, as occurs in the majority of the other Mediterranean countries.

Data specifically related to commercial property in Malta is limited, thus making it more challenging to identify the exact state of this sector. Nevertheless, it is evident that Malta has over recent years completely evolved and has attracted a numerous amount of foreign companies related to sectors within the financial services, gaming and IT related fields. It is therefore apparent that the demand for good commercial property has drastically increased, whereby Malta's property sector has been dominated by a situation of demand seemingly exceeding supply. The latter has resulted into the majority of high quality commercial developments being fully let. In line with statistical data issued by the Central Bank of Malta, the number of permits relating to retail and office developments has significantly increased from 123 permits in 2009 to 719 permits in 2016.

Management has already secured rental agreements with third party tenants for all leasable retail spaces available within The Center Parc Retail Hub which is set to become a major retail destination in Qormi. This further enforces management's view as to the demand for commercial centre both from a retailer and consumer point of view.

The below table demonstrates the range of annual rental rates in Euro (€) per square meter for various localities across Malta. Data regarding rental rates of office space has been gathered from several real estate agents website as at Q1 2019.

Area	€ per sqm yearly
Central areas such as Mriehel and Naxxar	150 – 200
North East such as Ta Xbiex, Sliema and St Julians	220 – 500
Harbor Area such as Valletta and Floriana	200 – 300
West and South such as Qormi and Luqa	120 – 180
North Area such as Bugibba and Mellieha	100 – 130

Source: Officespace.rent

As demonstrated in the table above, higher rental rates generally relate to the North East Area, whereby rates vary from €220/ sqm up to €500/ sqm. Contrarily, office rental rates are regarded to be the lowest in the North Area where rates vary between €100/sqm to €130/sqm. Of note, the pricing of office spaces rental rates are attributable to the characteristics of the office block. The latter mainly comprise location, size, practical efficiency, technology and the surroundings of the building.

3.2 Comparative Analysis

The purpose of the table below compares the proposed debt issuance of the Group to other debt instruments with similar duration. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

Security	Nom Value	Last Price*	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's		(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
5.25% Central Business Centres plc Unsecured € 2025 S2T1	3,000	105.00	4.38%	0.3	28.57	15.93	44.2%	67.1%	73.0	8.6	-1.1%	-43.7%	47.1%
4.25% Corinthia Finance plc Unsecured € 2026	40,000	103.99	3.60%	2.6	1,765.07	901.60	48.9%	67.9%	8.5	1.0	0.7%	2.0%	40.0%
4% MIDI plc Secured € 2026	50,000	106.00	3.07%	(0.9)	0.24	0.09	63.2%	64.7%	(25.3)	2.4	27.0%	448.1%	-46.5%
4% International Hotel Investments plc Secured € 2026	55,000	104.50	3.29%	2.7	1,602.32	884.63	44.8%	57.1%	7.9	1.5	1.9%	6.1%	53.5%
4% International Hotel Investments plc Unsecured € 2026	40,000	102.00	3.69%	2.7	1,602.32	884.63	44.8%	57.1%	7.9	1.5	1.9%	6.1%	53.5%
4.35% SD Finance plc Unsecured € 2027	65,000	100.26	4.31%	5.5	217.60	65.70	69.8%	92.1%	3.2	0.3	11.0%	14.5%	9.3%
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	6,000	103.02	3.96%	0.3	28.57	15.93	44.2%	67.1%	73.0	8.6	-1.1%	-43.7%	47.1%
3.75% Tumas Investments plc Unsecured € 2027	25,000	105.00	3.05%	7.5	198.82	89.24	55.1%	51.8%	2.0	1.6	13.0%	20.1%	31.4%
4% Stivala Group Finance plc Secured € 2027	45,000	104.50	3.38%	9.5	179.73	100.12	44.3%	55.8%	8.3	1.6	59.9%	483.9%	29.2%
3.75% Mercury Projects Finance plc Secured € 2027	11,500	102.49	3.39%	7.7	38.00	0.80	97.9%	663.5%	4.8	0.6	101.2%	12.3%	261.0%
4% Exalco Finance plc Secured € 2028	15,000	106.25	3.21%	3.7	55.39	35.47	36.0%	34.0%	6.0	0.3	8.6%	33.6%	24.7%
3.75% Tum Finance plc Secured € 2029 **	20,000	100.00	3.75%	2.1	60.05	32.08	46.6%	53.0%	11.1	4.5	41.9%	773.6%	n/a
4.25% Mercury Projects Finance plc Secured € 2031	11,000	102.50	3.98%	7.7	38.00	0.80	97.9%	663.5%	4.8	0.6	101.2%	12.3%	261.0%
Average ***			3.61%	4.1	479.55	249.58	57.6%	161.8%	14.5	2.4	27.0%	79.3%	67.6%

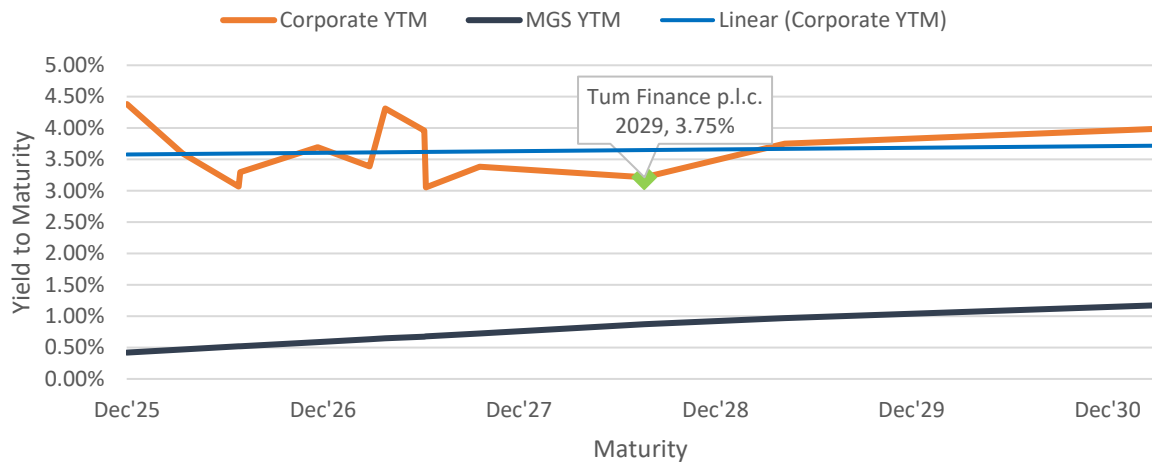
Source: Latest available audited financial statements

* Last price as at 10/04/2019

** The financial analysis of Tum Finance p.l.c. reflects the financial position of the Group for the forecasted year ended 31st December 2019.

*** Average figures do not capture the financial analysis of the Group

Yield Curve Analysis



Source: Malta Stock Exchange, Central Bank of Malta and Calamatta Cuschieri Estimates

As at 10th April 2019, the average spread over the Malta Government Stock (MGS) for corporates with maturity range of 7-10 years was 294 basis points. The proposed Tum Finance p.l.c. bond is being priced with 3.75% coupon issued at par, meaning a spread of 278 basis points over the equivalent MGS, and therefore at a premium to the average on the market.

Part 4 - Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.
Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by total assets.
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.

Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.
Balance Sheet	
Total Assets	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.
Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.

Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.
Other Definitions	
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.