



FINCO TREASURY MANAGEMENT LIMITED

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A Limited Liability Company registered in Malta on 9th November 1994, Registration No. C17017

€20 million – TUM FINANCE P.L.C. 3.75% 2029

Salient Details & Time Table

Offeror & Issuer	Tum Finance P.L.C.
Guaranteed & Secured by:	Easysell Limited
Currency	Euro
Offer Price	100% at par
Coupon	3.75% per annum
Status & Security	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 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 interest of the Bond Holders.
Security Property	The security is a first ranking Special Hypothec over the property owned by the Guarantor, Easysell Ltd at Mdina Road Qormi. The various properties securing this bond in Mdina Road Qormi have been valued at just over €23.3 million
Maturity Date	27 th June 2029
Listing	Official List, Malta Stock Exchange.
Interest Payment Dates	27 th June annually
Offer Period	See Time-Table below
Minimum Applications	€2,000 (nominal) and in multiples of €1,000 thereafter

Purpose of the Issue and Use of Proceeds:

1. The proceeds from the Bond Issue, amounting to €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 €400,000 will be used as follows:-

- a) the Issuer will subscribe to the Preference Shares in the Subsidiaries' Holding, Tum Operations Ltd. Out of the capital proceeds received from the issuance and allotment of the Preference Shares which are expected to be in the region of €6,350,000, the Subsidiaries' Holding will grant the sum of €4,500,000 on loan to the Guarantor for the purpose of repaying the debt due to the Bank and settling any outstanding development costs relating to the Secured Asset. The balance of proceeds received by the Subsidiaries' Holding through the issuance and allotment of the Preference Shares, which is expected to be in the region of €1,850,000, shall be used by it as general working capital of the Subsidiary Holding;



- b) the Issuer shall grant the sum of €13,250,000 on loan to the Subsidiaries' Holding, Tum Operations Ltd, which will in turn grant the said sum on loan to Center Parc Holdings Ltd for the purpose of repaying all amounts due to the Bank and to finance remaining development costs relating to the Center Parc Property.

The Subsidiaries will thus settle all liabilities with the Bank as lender, which will in turn cancel all securities it currently has on Guarantor's Property and the Center Parc Property, leaving them free and unencumbered, save for a special privilege securing the ground rent over the Secured Asset.

2. 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.

3. The Preference Shares (which are expected to amount to €6,350,000 in share capital) will be the amount of proceeds of the Bond less €13,250,000 to be given on loan to Center Parc, less around €400,000 representing expenses incurred in issuing the Bonds. These will be issued and allotted to the Issuer subject to the following terms and conditions:-

- (a) as fully paid up cumulative preference shares bearing a fixed annual dividend of 3.75%;
- (b) redeemable at par by the Subsidiaries' Holdings at any time but by not later than ten (10) years from their date of issue;
- (c) 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;
- (d) 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; (e) all other applicable terms and conditions referred to in the memorandum and articles of association of the Subsidiaries' Holding.

The Subsidiaries' Holding shall pay interest at 3.75% per annum on the loan granted to it by the Issuer. The principal amount of €7,250,000 shall be repaid in equal instalments over a 9 year period commencing from the first Interest Payment Date; the balance of €6,000,000 shall be repaid in a lump sum payment one week prior to Maturity Date. The loan granted by the Subsidiaries' Holding to Center Parc shall be repaid in the same manner. All receivables in the form of rent raised by Center Parc from the lease of the Center Parc Property, shall be pledged in favour of the Subsidiaries' Holding.

The loan granted to the Guarantor is interest free. The principal shall be repayable on demand and in any case not later than one week prior to Maturity Date. The Guarantor shall repay the loan through dividend distributions.

These loans shall be subject to the admission of the Bond Issue to trading 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.



Status & 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.

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.

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.



Tum Finance plc Consolidated 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

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



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

Our Comments

N/a

Time Table & Application Procedures

1. Offering period 12th June 2019 (from 08:30 CET) to 26th June 2019 (by 12:00 CET)
2. Commencement of interest 27th June 2019
3. Expected Date of Constitution of the Security 28th June 2019
4. Expected date of admission of the Bonds to listing 28th June 2019
5. Expected date of commencement of trading in the Bonds 1st July 2019

Availability of Prospectus

The Prospectus issued by Issuer is available at our offices for whoever is interested to have one. In this respect, anyone interested may call at our offices to collect a copy.

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