

SUMMARY

DATED 1 NOVEMBER 2024

This Summary is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and of the Prospectus Regulation.

In respect of an issue of
€12,000,000 5.2% Secured Callable Bonds 2031 – 2034
of a nominal value of €100 per Bond issued at par by



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

ISIN: MT0002271212

Legal Counsel

Sponsor, Manager & Registrar

Financial Advisors



VBADVOCATES

Calamatta Cuschieri

Deloitte.

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

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

APPROVED BY THE DIRECTORS

A handwritten signature in black ink, appearing to be 'Anthony Fenech', written over a horizontal line.

Anthony Fenech

A handwritten signature in black ink, appearing to be 'Silvan Fenech', written over a horizontal line.

Silvan Fenech

A handwritten signature in black ink, appearing to be 'Matthew Fenech', written over a horizontal line.

Matthew Fenech

signing in their capacity as Directors of the Company and for and on behalf of each of Stanley Portelli, William Wait and Mario Vella.

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which will enable investors to understand the nature and the risks associated with the Issuer and the Bonds.

Except where the context otherwise requires or where otherwise defined herein, the capitalised words and expressions used in this Summary shall bear the meanings assigned thereto in the Registration Document and the Securities Note, respectively, as the case may be.

1 INTRODUCTION AND WARNINGS

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

Issuer	TUM Finance plc, a public limited liability company registered under the laws of Malta with company registration number C 91228 and having legal entity identifier number (LEI) 391200AARLHFDIZ6BB11
Address	TUM Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi QRM 9010, Malta
Telephone number	(+356) 23850100
Website	www.tumfinance.com
Nature of the securities	Up to a maximum amount of €12,000,000 Callable Bonds 2031 – 2034, bearing an interest rate of 5.2% per annum, payable annually in arrears on 22 November of each year until 22 November 2034
ISIN of the Bonds	MT0002271212
Competent authority approving the Prospectus	The Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta). The MFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer
Address, telephone number and official website of the competent authority approving the Prospectus	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. The telephone number of the competent authority is +356 21441155. The official website of the competent authority is https://www.mfsa.mt/
Prospectus approval date	1 November 2024

Prospective investors are hereby warned that:

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

2 KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Bonds?

2.1.1 DOMICILE AND LEGAL FORM, LEI AND COUNTY OF INCORPORATION OF THE ISSUER

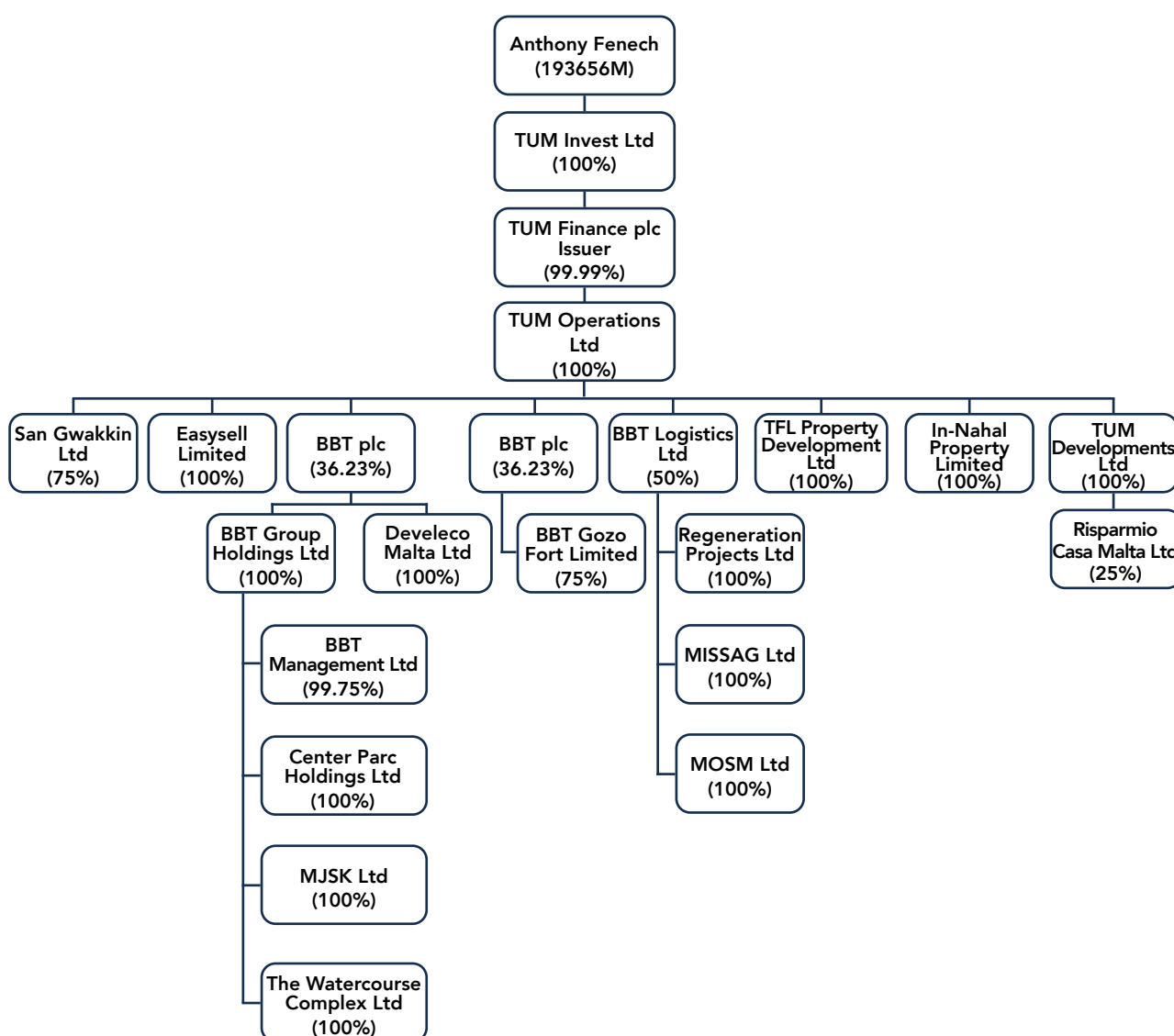
The Issuer is TUM Finance plc, a public limited liability company registered and existing under the laws of Malta with company registration number C 91228 and having its registered office at TUM Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi QRM 9010, Malta. The Issuer is incorporated and is domiciled in Malta. Its LEI number is 391200AARLHFDIZ6BB11.

2.1.2 PRINCIPAL ACTIVITIES OF THE ISSUER

The Issuer was established on 26 March 2019 as a wholly-owned subsidiary of TUM Invest, save for two (2) ordinary shares which are held by Anthony Fenech, the ultimate beneficial owner of the Group. The principal object of the Issuer is to subscribe for, purchase or otherwise acquire and hold, for and on behalf of the Company, any shares, stocks, bonds, debentures, securities or other obligations of or in any other company, partnership or business carrying out any type of trading activity, or to participate in the management or activities thereof, where the so doing may seem desirable in the interest of the Company. The issue of bonds falls within the objects of the Issuer. The Issuer was set up with the primary aim of acquiring and holding property including securities in any other company. The Issuer thus also has the object of raising money in order to finance companies within the Group. The Issuer is ultimately dependent upon the operations, performance and business prospects of the Subsidiaries. The Issuer operates exclusively in and from Malta.

2.1.3 MAJOR SHAREHOLDERS

The authorised share capital of twenty million Euro (€20,000,000) divided into twenty million (20,000,000) ordinary shares of a nominal value of one Euro (€1.00) each and an issued share capital of seventeen million six hundred and ninety-three Euro (€17,693,000) divided into seventeen million six hundred and ninety-three (17,693,000) ordinary shares of a nominal value of one Euro (€1.00) each, being fully paid up and subscribed for, allotted and taken up by TUM Invest, other than two (2) shares which are subscribed for, allotted and taken up by Anthony Fenech.



2.1.4 DIRECTORS OF THE ISSUER

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following 6 individuals: Anthony Fenech (Executive Director and Chairman), Silvan Fenech (Executive Director), Matthew Fenech (Executive Director), Stanley Portelli (Independent, non-Executive Director), Mario Vella (Independent, non-Executive Director) and William Wait (Independent, non-Executive Director).

2.1.5 STATUTORY AUDITORS

The historical financial information relating to the Issuer for the periods ended 31 December 2021 and 31 December 2022 have been audited by Ernst & Young Malta Limited (accountancy board registration number AB/26/84/96) Ernst & Young Malta Limited is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta). For the period ended 31 December 2023 have been audited by Grant Thornton Limited (accountancy board registration number AB/26/84/22) and is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

2.2 What is the key financial information regarding the Issuer?

Key figures extracted from the Issuer's consolidated financial statements are being represented below:

	FY2023 Audited	FY2022 Audited	FY2021 Audited	FY2024 Interim	FY2023 Interim
Statement of Comprehensive Income					
Profit for the year (€000)	2,097	1,939	1,978	1,895	423
Statement of Financial Position					
Total assets (€000)	75,089	71,523	67,873	79,087	
Total equity (€000)	41,394	40,760	37,397	41,534	
Total liabilities (€000)	33,695	30,763	30,477	37,553	
Statement of Cash Flows					
Net cash generated from operating activities (€000)	6,086	1,948	1,807	2,297	1,138
Net cash used in investing activities (€000)	(9,789)	(1,746)	(665)	(4,122)	(183)
Net cash generated from / (used in) financing activities (€000)	4,451	(713)	(757)	1,881	5,053

2.3 What are the key risks specific to the Issuer?

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

2.3.1 Dependence of Issuer on its Subsidiaries

The Issuer is a holding company that does not conduct its operative business itself but does so through its Subsidiaries. The Issuer's cash flow and possible future interest payments are dependent on the profitability of the Subsidiaries or must otherwise be met by borrowed capital or the sale of the Properties. In order to service the Bonds, the Subsidiaries need to continue to achieve positive cash flows from operating activities. The Subsidiaries generally generate such cash flows from rent and from proceeds of disposals of property. If the Subsidiaries are unable to generate positive cash flows from their operating activities in the future, the Subsidiaries could be forced to sell the Properties irrespective of the market situation, and possibly on terms unfavourable to the Group, or borrow money on financially unattractive terms.

2.3.2 Third Party Interests in BBT Entities, Center Parc, Develco Malta Limited and Risparmio Casa Malta Limited

The Issuer through TUM Operations does not own all shares in BBT Entities, Center Parc, Develco Malta Limited and Risparmio Casa Malta Limited and does not hold all voting rights, and is to an extent exposed to influence by other shareholders. Hence significant changes or other material decisions with respect to BBT Entities, Center Parc, Develco Malta Limited and Risparmio Casa Malta Limited may only be implemented with qualified consent and/or consent of the remaining shareholders. Such exposure may limit the Group's flexibility to implement its strategy.

2.3.3 Dependence on Full Occupancy of its Properties and Increasing Rent

The commercial success of the Group depends significantly on its ability to retain high occupancy rates, reducing operating costs whilst increasing rent levels. This will depend on several factors. These factors include in particular the demand for properties, the local rental market, refurbishment and modernisation measures that will be undertaken over time, and tenant turnover. Thus a loss of rent, rent reductions and increased vacancies would lead to a decline in total current forecasted rental income. There is therefore a risk that the Subsidiaries will be less profitable if demand for commercial space declines as this may lead to an increase in vacancy rates. If tenants fail to meet their rent payment obligations in whole or in part (eg due to a deterioration of their economic situation or a deterioration of their business activity), or if larger numbers of tenants give notice of termination without the Subsidiaries being able to re-let the Properties within a reasonable time period, the Subsidiaries could sustain a decrease in current rental income, which could have a significant adverse effect on its results of operations. To the extent that the Subsidiaries are able to re-let a Property, there is a risk that they will not be able to do so on terms attractive to them.

2.3.4 Property Valuations

Valuation of property is intrinsically subjective and based on a number of assumptions at a given point in time, and there can be no assurance that any such property valuations and property-related assets will reflect actual market values. In addition, property valuations are influenced by a variety of factors such as changes in regulatory requirements and applicable laws, political and social conditions, the financial markets, consumer spending power, and interests and inflation rate fluctuations. Consequently the net realisable value of the Property may decrease, which decrease could have a material adverse effect on the financial position of the Subsidiaries.

3 KEY INFORMATION ON THE BONDS

3.1 What are the main features of the securities?

The key features of the Bonds are set out below:

Each Bond forms part of a duly authorised issue of 5.2% secured callable bonds 2031 – 2034 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €12 million. The Issue Date of the Bonds is expected to be 28 November 2024. The Bonds are secured.

The currency of the Bonds is Euro (€).

Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0002271212.

The Bonds are redeemable on 22 November 2034, unless redeemed early on an Early Redemption Date. The Bonds shall bear interest from and including 22 November 2024 at the rate of 5.2% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be affected on 22 November 2025, covering the period 22 November 2024 up to and including 21 November 2025.

The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and as secured by means of the Collateral granted in terms of the Security Trust Deed II. The Bonds shall, at all times, rank *pari passu*, without any priority or preference among themselves but, in view of the fact that the Bonds shall be secured by the Collateral, shall rank with priority and preference over other present and future unsecured obligations of Tum Operations Limited with respect to the BBT Pledged Shares, save for such exceptions as may be provided by applicable law, and with ranking and priority over the Collateral. Specifically, Tum Operations shall grant the Share Pledge over the BBT Pledged Shares in terms of the Pledge of Shares Agreement.

The minimum subscription amount of Bonds that can be subscribed for by Applicants upon subscription is €1,000, and in multiples of €100 thereafter. There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital, the benefit of the Collateral through the Security Trustee, and in accordance with the ranking specified in the Prospectus.

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €1,000 shall only apply during the Issue Period and the Intermediaries' Offer, if it takes place. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List and commence trading thereafter, subject to trading in multiples of €100.

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List. The Bonds are expected to be admitted to the Official List with effect from 28 November 2024 and trading is expected to commence on 29 November 2024. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

3.3 Is there a guarantee attached to the securities?

The Bonds are not guaranteed.

3.4 What are the key risks that are specific to the Bonds?

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

- There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all.
- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- The MFSA has the authority to suspend trading or listing of the Bonds or discontinue the listing of the Bonds on the Official List 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. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.
- Whilst the Collateral that is to be granted in favour of the Security Trustee for the benefit and in the interest of Bondholders grants the Security Trustee a right of preference and priority for repayment over the Collateral, there can be no guarantee that the value of the Collateral over the term of the Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Bonds. This may be caused by a number of factors, not least of which general economic factors that could have an adverse impact on the value of the relevant Collateral, specifically the value of the BBT Pledged Shares. If such circumstances were to arise or subsist at the time that the Collateral is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds.

4 KEY INFORMATION ON THE OFFER OF THE BONDS AND ADMISSION TO TRADING

4.1 UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THESE BONDS?

The issue and allotment of the Bonds is conditional upon: (i) the Minimum Amount of €8,040,000 being subscribed for; (ii) the Pledge of Shares Agreement and the Security Trust Deed II being duly executed; (iii) the Collateral being duly granted and registered with the appropriate authority/ies, as applicable; and (iv); the Bonds being admitted to trading on the Official List. In the event that any one or more of the aforesaid conditions is not satisfied, any application monies received by the Issuer from all Applicants will be returned, without interest, by direct credit into the Applicant's bank account indicated by the Applicant / Authorised Intermediary on the relative Application / subscription agreement.

4.1.1 Expected Timetable of Principal Events

1	Intermediaries' Offer*	4 November 2024 – 15 November 2024 at 12:00 CET
2	Commencement of interest on the Bonds	22 November 2024
3	Announcement of basis of acceptance through a company announcement	22 November 2024
4	Refunds of unallocated monies, if any	28 November 2024
5	Expected dispatch of allotment advices	28 November 2024
6	Expected date of admission of the Bonds to listing	28 November 2024
7	Expected date of commencement of trading in the Bonds	29 November 2024

*The Issuer reserves the right to close the Intermediaries' Offer before 15 November 2024 at 12:00 CET in the event that the Bonds are fully subscribed prior to said date and time, in which case some or all of the remaining events 2 to 7 (both included) set out above may be brought forward.

4.1.2 Allocation Policy

The Issuer shall allocate the Bonds to the Authorised Intermediaries in accordance with the Subscription Agreements. The Issuer shall announce the result of the Bond Issue and the basis of acceptance and the allocation policy to be adopted through a company announcement.

4.2 WHY IS THIS PROSPECTUS BEING PRODUCED?

4.2.1 Use of Proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €11,600,000, will be utilised for the following purposes, in the following amounts and order of priority:

- an amount of *circa* €943,000 of the Bond Issue net proceeds will be used by Tum Invest Limited for the purpose of re-financing the remaining balance of an existing facility taken out with Lombard Bank Malta plc prior to the date of the Prospectus for the purpose of financing the acquisition of the Parilja Property;
- an amount of *circa* €1,956,000 of the Bond Issue net proceeds will be used by TFL Property Development Limited for the development and finishing costs in connection with the Parilja property development project, details of which are set out in sub-section 5.5 of the Registration Document;
- an amount of *circa* €2,025,000 of the Bond Issue net proceeds will be used by Easysell for the purpose of financing the purchase of the property known as Ta' Natu Commercial Outlet, details of which are set out in sub-section 5.5 of the Registration Document;
- an amount of *circa* €1,846,000 of the Bond Issue net proceeds will be used by Easysell in an amount of *circa* €700,000 for the purpose of refinancing the fit-out costs of the Risparmio Casa outlet located at Ta' Natu Commercial Outlet and an amount of *circa* €1,146,000 shall be used by Tum Developments Limited for the purpose of part financing the fit-out costs of the Risparmio Casa outlet to be located at Center Parc, details of which are set out in sub-section 5.5 of the Registration Document;
- an amount of *circa* €1,000,000 of the Bond Issue net proceeds will be used by Tum Properties Limited for the purpose of re-financing an existing facility taken out with BNF Bank Malta plc prior to the date of the Prospectus for the purpose of financing the acquisition of the Independent 2 Property, details of which are set out in sub-section 5.5 of the Registration Document
- the remaining balance of the Bond Issue net proceeds in an amount of *circa* €3,830,000 will be used for the general corporate funding purposes of the Group.

4.2.2 Underwriting

The Bond Issue is not underwritten. Should subscriptions for a total of at least €8,040,000 (the "Minimum Amount") not be received, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Authorised Intermediaries shall be returned by the Issuer. In the event that the Minimum Amount is reached but the Bond Issue is not fully subscribed, the Issuer will proceed with the allotment and listing of the amount of Bonds subscribed for.

4.2.3 Conflicts of Interest

Save for the possible subscription for Bonds by Authorised Intermediaries, which include the Sponsor, Manager & Registrar, and any fees payable to Calamatta Cuschieri Investment Services Limited as Sponsor, Manager & Registrar in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.