



COMPANY ANNOUNCEMENT

TUM FINANCE P.L.C.

Update to the market

Date of Announcement	7 June 2023
Reference	24/2023
Capital Markets Rule	5.16

QUOTE

Reference is made to the company announcement published by the Company on 7 April, 2022 (TMF 16) in connection with a possible joint venture, the terms of which were being negotiated by and amongst: Tum Operations Limited (C 91301), a wholly owned subsidiary of the Company (“**TOL**”); Center Parc Holdings Limited (C 72342), in which TOL holds a 75% shareholding (“**CPHL**”); V.& C. Developments Limited (C 26541), being the other shareholder of CPHL; and other third party entities. As described in TMF16, the purpose of the joint venture is that of pooling and consolidating therein the joint venture parties’ existing holdings of specified immovable property, such that the said properties can be developed and, or operated, on a consolidated basis by and under such joint venture.

The joint venture company was since incorporated and registered under the laws of Malta as a public limited liability company bearing the name ‘BBT p.l.c.’, with company registration number C 101666 (“**BBT**”) by the following entities, namely: TOL; BT Group Limited (C 101263); Burmarrad Group Limited (C 86804); V&C Investments Limited (C 82808); and V.&C. Developments Limited (C 26541), which each respectively agreed to take up shares, in varying proportions, in the issued share capital of BBT.

The Board of Directors of the Company hereby announces that, in furtherance of the aforesaid, pursuant to an agreement entered into yesterday, 7 June, 2023 (the “**Transfer Agreement**”), TOL agreed to exchange its 75% shareholding in CPHL, the owner of the Center Parc shopping mall in the limits of Qormi (“**Center Parc**”), in return for the issue and allotment of 31.43% of the issued share capital of BBT. As previously disclosed in the financial analysis summary published by Calamatta Cuschieri Investment Services Ltd on 16 June, 2022, Center Parc is currently undergoing a second phase of expansion, consisting of an extension to the existing built-up footprint of the current Center Parc, as well as the development of an additional two floors covering a total area of approximately 8,000m².

The shareholding allocated to TOL in BBT has been determined based on the fair market value attributed to the 75% shareholding in CPHL compared to the fair market value attributed to the assets contributed by the other shareholders in BBT. The fair market value of the equity attributed to CPHL was based on the fair market value of the property less €13,000,000 in liabilities (the outstanding balance due by CPHL to TOL in terms of the €13,250,000 loan described in section 4.1.1. of the Company’s Securities Note forming part of the Prospectus



published on 3 June, 2019 (the “**TOL-CPHL Loan**”), which liability in CPHL will be assumed by BBT, as further described below.

The fair market value of the assets contributed by the joint venture parties to BBT was established by professional valuers. Said valuations took into consideration current and projected rental income, projected development cost, comparable market prices and expected returns on investment depending on property type. In terms of the Transfer Agreement, BBT and CPHL undertook in favour of TOL as follows: that BBT shall procure bank financing for the purposes of advancing a loan of €6,000,000 to CPHL, which amount CPHL authorised and instructed BBT to use for the purposes of paying TOL directly in settlement of part of the TOL-CPHL Loan. With respect to the outstanding balance of €7,000,000 due by CPHL in terms of the TOL-CPHL Loan, it was agreed that TOL would assign such receivable to BBT for an equivalent consideration to be settled by way of issuance of further shares in BBT in favour of TOL.

The conditions required to be met for the aforementioned bank financing include, amongst other, the release of the pledge on receivables which CPHL, in its capacity as pledgor, granted to TOL, in its capacity as pledgee, as security for the aforementioned TOL-CPHL Loan, in terms of a pledge agreement dated 1 July, 2019 (the “**Pledge Agreement**”), which agreement was referred to in section 4.1.1 of the said Securities Note. For this purpose, on the 17 April, 2023 in anticipation of the entry into the Transfer Agreement, CPHL, TOL and the Company entered into a termination of pledge agreement pursuant to which the Pledge Agreement was terminated and, as a result, the existing pledge over all rent receivables owing to CPHL from the lease of Center Parc, was released and discharged.

The transaction is viewed by the Company as an opportunity for the group of which it forms part to diversify its property exposure across a more diverse portfolio, while also investing in a platform to pursue further growth opportunities in the commercial property rental market.

UNQUOTE

By order of the Board.

A handwritten signature in black ink, appearing to read "Malcolm Falzon", written over a horizontal line.

Dr Malcolm Falzon
Company Secretary