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1923
INVESTMENTS

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by 1923 Investments p.l.c. (the "Company") in terms of Listing Rule 5.16.20

QUOTE

The Company announces that the Board of Directors has approved the Company's half yearly financial report and unaudited interim financial statements for the period ending 30 June 2023.

The Financial Statements are attached herewith and are also available for viewing on the Company's website.

https://1923investments.com/financial-statements/

UNQUOTE

By order of the Board

Mr. Adrian Mercieca
Company Secretary

30 August 2023

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XXIII

1923
INVESTMENTS

1923 Investments p.l.c.

Interim Financial Report (Unaudited)

For the period 1 January 2023 to 30 June 2023

Contents

The directors present their interim report, together with the unaudited interim condensed financial statements (the "condensed interim financial statements") of the Company ("the Company") and its subsidiaries (the "Group") for the period from 1 January 2023 to 30 June 2023.

Principal activities

The Company acts as an investment company and service provider to its subsidiary undertakings.

The Group is engaged in (i) the sale and distribution of Apple Products and third-party electronic products as an Apple Premium Reseller, (ii) the sale, maintenance and servicing of information technology solutions, security systems and provision of electronic payment solutions and (iii) high quality mobile device repair and the sale of refurbished phones and accessories under the iRiparo and UZED brands.

On 28 April 2023, 1923 Investments sold its holdings in Hili Logistics Limited and therefore no longer provides road, sea and air logistics services.

Business review

The Group

During the period under review, the Group registered an operating profit from continuing operations of Eur1,890,465 (June 2022: *Eur3,701,842)* on revenues of Eur107,053,275 (June 2022: *Eur87,938,888*). Operating profit, excluding the impact of the Group's start-up investment in E-Lifecycle Holdings GmbH, would have amounted to Eur3,403,855.

After accounting for investment income and finance costs and the gain from sale of Hili Logistics Ltd, the Group registered a profit before tax from continuing operations of Eur2,761,688 (June 2022: *Eur1,907,618*).

Profit from discontinued operations amounts to Eur1,409,035 (June 2022: *Eur1,362,993*). Profit for the period including profit from discontinued operations amounts to Eur3,873,767 (June 2022: *Eur2,538,991*)

The movement in financial performance mainly results from the following:

- **iSpot Sp Z.o.o.** achieved a profit before tax and unrealised gain on exchange on intercompany balances amounting to Eur3,168,549 (June 2022: *Eur2,571,*475) representing a 23% increase on the results of the same period of last year. Turnover for the period reached Eur82,299,824 in the first half of 2023 (2022 results: *Eur79,647,817*) which is an increase of 3.3% over the same period last year. It is pertinent to note that the first half of 2022 was already an exceptional year with a 67% increase in revenue over the preceding period. Despite the challenging macro-economic situation in Poland, iSpot reported an improvement in its performance and profitability.

- **Cortland Sp. Z.o.o.** was acquired by iSpot on 31 March 2023. The financial statements include the performance of Cortland from April to June 2023. Revenue from sale of products and services by Cortland amounted to Eur17,325,566 for this period. Profit before tax and unrealised gain on exchange on intercompany balances amounts to Eur350,369.

- **E-Lifecycle Holdings GmbH** operated 10 retail outlets across Germany as at the end of June 2023. Due to the start-up nature of this venture in a new country, the business suffered a loss of Eur1,513,390. This loss is in line with the Group's forecast where the business is expected to generate losses in its early years of operation.

- As per the results published by **Harvest Technology p.l.c.** on 9 August 2023, Harvest Technology and its subsidiaries have registered a consolidated profit before tax of Eur289,367 (June 2022: *Eur1,105,383).* The Payment Processing Services segment experienced a notable decline in both revenue and profitability when compared to the first half of the previous year due to a fall in processing of certain gaming merchants due to changes in regulation. It is pertinent to note that the processing for clients that were not impacted by the change in regulation has increased year on year. Despite these challenges, Harvest has continued to invest significantly in its payment platform infrastructure and it has also increased its efforts to strengthen and diversify its sales pipeline through various initiatives.

  In the first six months of 2023, the retail and IT solutions segment reported a decline in revenues, compared to the previous year. During the first half of 2022, this segment had been positively impacted by the completion of a number of significant projects, which bolstered the segment's profitability.

- The profit on sale of shares in **Hili Logistics Limited** amounted to Eur2,287,493 for the Group and Eur3,425,000 for the Company.

- The performance of **discontinued operations** improved against the same period of 2022 with profit for the period 1 January to 28 April 2022 amounting to Eur1,409,035 (June 2022: *Eur1,362,993*)

The Group's net assets at end of June 2023 amounted to Eur65,979,304 compared to Eur59,536,589 as at 31 December 2022.

The Company

During the period under review, the company registered an operating loss of Eur711,699 (June 2022: *Loss of Eur664,608*). After accounting for investment income. Finance costs and the gain on sale of investment, the Company registered a pre-tax profit of Eur3,595,765 (June 2022: a pre-tax loss of *Eur*1,004,921). During the period under review, finance costs include unrealised exchange gain amounting to Eur528,173 (June 2021: *unrealised exchange loss of Eur189,436).* The increase in investment income over the reported period was due to interim dividends received by the company from its subsidiaries.

The net assets of the Company as at 30 June 2023 amounted to Eur56,820,383 compared to *Eur53,172,550* as at 31 December 2022.

The published figures have been extracted from the unaudited management financial statements for the half-year ended 30 June 2023 and its comparative period in 2022.

The global economic outlook

In view of uncertain macro-economic situation within the global economy in particular where the Group operates, the directors have continued to prepare budgets and projections to assess the impact of high inflation and interest rates might have on consumer demand in Poland, Germany, Malta and Hungary. Although these economies are showing signs of economic resiliency, apart from Germany which has entered into a technical recession as from the first quarter of 2023, any further shock to the economies of these countries may affect the profitability of the Group in the future. The directors will continue to closely monitor the situation in the countries in which it operates for the coming financial year so as to be in a position to take any necessary action in order to compensate for adverse effects on its business.

The directors are also keeping a close eye on the war between the Russian Federation and Ukraine and its potential effects on the business, particularly in the event it extends to neighbouring countries such as Poland.

Likely future business developments

The directors consider that the performance and period-end financial position of the Group was satisfactory. Management is continuously monitoring the business environment in all its business sectors and territories in particular Poland, Germany, Malta and Hungary. The key challenges, most notably the persistent high levels of inflation across Europe as well as the ever-increasing regulatory requirements in the payment services sector are expected to continue impacting the current year's performance. The Group continues to strengthen its processes and procedures to become more efficient and increase cost optimisation.

The Group is also actively engaged in the integration between iSpot and Cortland which is expected to start generating revenue and cost synergies during the second half of this year. Furthermore, following the disposal of Hili Logistics, the Group is in a position to sharpen its focus on the retail and technology sectors, and aims to identify and assess new acquisition targets to broaden its retail and payments services sectors.

The Group will continue to sustain E-Lifecycle Holdings in its start-up phase to continue to gain market presence and extend its service and product portfolio. Consequently, it is expected that E-Lifecycle Holdings will sustain operating losses in the second half of the year.

Post balance sheet events

There were no significant events after the end of the reporting period.

Preparation of the Condensed Consolidated Interim Financial Statements

This report is being published in terms of the Capital Market Rule 5.75 issued by the Malta Financial Services Authority and has been prepared in accordance with the applicable Capital Market Rules and International Accounting Standard 34 - Interim Financial Reporting. The financial statements published in this half-yearly report have been condensed in accordance with the requirements of IAS 34. The comparative statements have been extracted from the audited financial statements for the year ended 31 December 2022 and the management accounts for the period ending 30 June 2022. In terms of the Capital Market Rule 5.75.5, the Directors are stating that these condensed interim financial statements have not been audited or reviewed by the Company's independent auditors.

Approved by the Board of Directors on 30th August 2023 and signed on its behalf by:

David Bonett
Chairman

Dorian Desira
Non-Executive Director

1923 Investments p.l.c.

Condensed Statements of Profit or Loss and Other Comprehensive Income

Period ended 30 June 2023

	Group		Company	
	1 January to 30 June 2023	**1 January to 30 June 2022**	**1 January to 30 June 2023**	**1 January to 30 June 2022**
	Eur	Eur	**Eur**	Eur
Revenue (note 4)	**107,053,275**	87,938,888	**455,484**	505,000
Cost of sales	**(94,192,962)**	(77,446,174)	**-**	-
Gross profit	**12,860,313**	10,492,714	**455,484**	505,000
Administrative expenses	**(10,969,848)**	(6,790,872)	**(1,167,182)**	(1,169,608)
Operating profit/(loss)	**1,890,465**	3,701,842	**(711,698)**	(664,608)
Investment income	**-**	-	**1,014,491**	441,461
Finance costs	**(1,343,589)**	(1,890,966)	**(132,027)**	(781,774)
Share of profits in associates	**-**	96,742	**-**	-
Share of loss in joint ventures	**(72,681)**	-	**-**	-
Gain from sale of subsidiary	**2,287,493**	-	**3,425,000**	-
Profit/(loss) before tax from continuing operations	**2,761,688**	1,907,618	**3,595,766**	(1,004,921)
Income tax (expense)/credit	(296,956)	(731,620)	52,067	70,860
Profit/(loss) for the period from continuing operations	**2,464,732**	**1,175,998**	**3,647,833**	**(934,061)**
Profit from discontinued operations	1,409,035	1,362,993		
Profit/loss for the period	**3,873,767**	2,538,991	**3,647,833**	(934,061)
Other comprehensive income items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	**2,611,150**	1,248,075	**-**	-
Total comprehensive profit/(loss) for the period	**6,484,917**	3,787,066	**3,647,833**	(934,061)

1923 Investments p.l.c.

Condensed Statements of Profit or Loss and Other Comprehensive Income (continued)

Period ended 30 June 2023

	Group		Company	
	1 January to 30 June 2023	**1 January to 30 June 2022**	**1 January to 30 June 2023**	**1 January to 30 June 2022**
	Eur	Eur	**Eur**	Eur
Profit/(loss) attributable to:				
Owners of the company	**3,805,880**	2,271,655	**3,647,833**	(934,061)
Non-controlling interests	**67,887**	267,336	**-**	-
	3,873,767	2,538,991	**3,647,833**	(934,061)
Total comprehensive profit/(loss) attributable to:				
Owners of the company	**6,417,030**	3,555,730	**3,647,833**	(934,061)
Non-controlling interests	**67,887**	267,336	**-**	-
	6,484,917	3,823,066	**3,647,833**	(934,061)

1923 Investments p.l.c.

Condensed Statements of Financial Position
at 30 June 2023

	Notes	Group 30 June 2023 Unaudited	Group 31 December 2022 Audited	Company 30 June 2023 Unaudited	Company 31 December 2022 Audited
		Eur	Eur	Eur	Eur
Assets and liabilities					
Non-current assets					
Goodwill	5	**71,447,722**	63,283,683	**-**	-
Intangible assets	6	**12,188,245**	12,077,990	**8,767**	10,082
Property, plant and equipment		**5,042,856**	13,663,641	**11,266**	12,329
Right-of-use assets	7	**12,791,278**	11,020,282	**-**	-
Investments in subsidiaries	8	**-**	-	**58,549,330**	68,041,520
Investments in associates		**-**	830,726	**-**	-
Investment in joint venture		**1,174,153**	1,381,659	**682,375**	682,375
Other investments		**1,038,865**	1,149,977	**-**	-
Other receivables		**-**	-	**-**	-
Loans and receivables	9	**36,738,713**	9,418,878	**63,341,868**	26,750,380
Deferred tax assets		**1,338,149**	1,945,153	**101,753**	285,806
		141,759,981	114,771,989	**122,695,359**	95,782,492
Current assets					
Inventories		**18,201,933**	19,061,454	**-**	-
Loans and receivables		**211,578**	5,294	**6,203,731**	5,051,486
Contract assets		**366,683**	483,471	**-**	-
Other assets		**5,086,962**	2,670,065	**-**	-
Trade and other receivables	11	**7,809,179**	13,965,459	**212,823**	275,590
Cash and cash equivalents		**8,798,963**	10,312,277	**332,627**	727,660
Current tax assets		**2,395,509**	2,368,401	**1,289,731**	1,353,991
		42,870,807	48,866,421	**8,038,912**	7,408,727
Total assets		**184,630,788**	163,638,410	**130,734,271**	103,191,219
Current liabilities					
Trade and other payables	12	**24,068,755**	32,836,912	**1,683,659**	1,017,035
Contract liabilities		**1,868,806**	3,716,777	**-**	-
Other financial liabilities	13	**3,499,709**	-	**2,408,977**	1,546,370
Bank overdraft	14	**5,646,483**	4,701,094	**-**	-
Bank loans	14	**5,674,112**	2,278,961	**5,674,112**	1,524,683
Lease liability	7	**4,359,916**	3,651,700	**-**	-
Current tax liabilities		**2,612,288**	763,455	**-**	-
		47,730,069	47,948,899	**9,766,748**	4,088,088
Non-current liabilities					
Debt securities in issue	15	**35,879,623**	35,839,176	**35,879,623**	35,839,176
Trade and other payables	12	**553,797**	730,282	**-**	-
Other financial liabilities	13	**4,027,152**	4,114,275	**7,571,541**	4,863,789
Bank loans	14	**20,695,976**	6,319,288	**20,695,976**	5,227,616
Lease liability	7	**8,675,771**	7,913,227	**-**	-
Deferred tax liabilities		**1,089,096**	1,236,674	**-**	-
		70,921,415	56,152,922	**64,147,140**	45,930,581
Total liabilities		**118,651,484**	104,101,821	**73,913,888**	50,018,669
Net assets		**65,979,304**	59,536,589	**56,820,383**	53,172,550

	Group		Company	
	30 June 2023 Unaudited	**31 December 2022 Audited**	**30 June 2023 Unaudited**	**31 December 2022 Audited**
	Eur	**Eur**	**Eur**	**Eur**
Equity				
Share capital	**52,135,000**	52,135,000	**52,135,000**	52,135,000
Other equity	**(2,666,736)**	(4,741,736)	**154,629**	154,629
Exchange reserve	**(804,743)**	(3,415,893)	**-**	-
Retained earnings	**12,251,064**	10,520,184	**4,530,754**	882,921
Equity attributable to owners of the company	**60,914,585**	54,497,555	**56,820,383**	53,172,550
Non-controlling interests	**5,064,719**	5,039,034	**-**	-
Total equity	**65,979,304**	59,536,589	**56,820,383**	53,172,550

Condensed Statements of Changes in Equity

for the period ended 30 June 2023

Group

	Share capital	Other equity	Retained earnings / (Accumulated losses)	Translation reserve	Attributable to equity holders of the parent	Non-controlling interests	Total equity
	Eur	Eur	Eur	Eur	Eur	Eur	Eur
Balance as at 1 January 2022	52,135,000	(4,741,736)	4,556,155	(4,082,231)	47,867,188	4,964,072	52,831,260
Transactions with owners:							
Dividend paid	-	-	(785,007)	-	(785,007)	(422,016)	(1,207,023)
Profit for the year	-	-	6,749,036	-	6,749,036	496,978	7,246,014
Other comprehensive profit for the year	-	-	-	666,338	666,338	-	666,338
Balance as at 31 December 2022	**52,135,000**	**(4,741,736)**	**10,520,184**	**(3,415,893)**	**54,497,555**	**5,039,034**	**59,536,589**
Transactions with owners:							
Dividend paid to minority interest	-	-	-	-	-	(42,202)	(42,202)
Profit for the period	-	-	3,805,880	-	3,805,880	67,887	3,873,767
Other comprehensive profit for the period	-	-	-	2,611,150	2,611,150	-	2,611,150
Transfer between reserves on disposal of subsidiary	-	2,075,000	(2,075,000)	-	-	-	-
Balance as at 30 June 2023	**52,135,000**	**(2,666,736)**	**12,251,064**	**(804,743)**	**60,914,585**	**5,064,719**	**65,979,304**

An amount of Eur2,075,000 which was included with other equity at 31 December 2022 pertaining to the Hili Logistics group was eliminated upon the disposal of such subsidiary.

Condensed Statements of Changes in Equity (continued)
for the period ended 30 June 2023

Holding company

	Share capital	Other equity	Retained earnings / (accumulated losses)	Total
	Eur	Eur	Eur	Eur
At 1 January 2022	52,135,000	154,629	(851,650)	51,437,979
Profit for the year	-	-	2,519,578	2,519,578
Total comprehensive income	**-**	**-**	**2,519,578**	**2,519,578**
Dividend paid	-	-	(785,007)	(785,007)
At 31 December 2022	**52,135,000**	**154,629**	**882,921**	**53,172,550**
Profit for the period	-	-	3,647,833	3,647,833
Total comprehensive income	-	-	3,647,833	3,647,833
At 30 June 2023	**52,135,000**	**154,629**	**4,530,754**	**56,820,383**

Condensed Statements of Cash Flows
for the period ended 30 June 2023

	The group 1 January to 30 June 2023 Eur	The group 1 January to 30 June 2022 Eur	The company 1 January to 30 June 2023 Eur	The company 1 January to 30 June 2022 Eur
Operating activities				
Profit /(loss) before tax from continuing operations	2,761,688	1,907,618	3,595,765	(1,004,921)
Adjustments	4,662,191	4,301,711	(2,117,366)	306,690
Net changes in working capital	(7,217,828)	(5,649,123)	(2,083,645)	65,098
Interest paid	(706,002)	(232,868)	(528,576)	(198,707)
Net tax (paid)/refunded	(1,044,877)	(246,146)	300,384	448,090
Net cash generated from/(used in) continuing operations	**(1,544,828)**	**81,192**	**(833,438)**	**(383,750)**
Net cash generated from discontinued operations	**78,005**	**2,404,644**	**-**	**-**
Net cash generated from/(used in) operating activities	**(1,466,823)**	**2,485,836**	**(833,438)**	**(383,750)**
Investing activities				
Payments to acquire plant and equipment	(2,506,709)	(929,765)	(1,165)	(13,233)
Payments to acquire intangible assets	(347,714)	(187,919)	-	-
Payments to acquire other investments	-	(5,668)	-	-
Payments for the incorporation of a subsidiary	-	-	-	(25,000)
Proceeds from sale of subsidiary	23,200,000	-	23,200,000	-
Investment in subsidiary	(42,861,214)	-	(22,382,810)	-
Loan to subsidiary	-	-	(1,700,000)	-
Payments from parent company	4,100,000	6,000,000	4,100,000	6,000,000
Payments (to)/from subsidiaries	-	-	-	(2,000,000)
Proceeds from related companies	-	131,132	-	14,385
Cash taken over upon acquisition of subsidiary	2,760,573	-	-	-
Cash released upon sale of subsidiary	(1,518,439)	-	-	-
Dividends received from subsidiaries		-	71,782	286,950
Dividends received from associates	-	245,000	-	-
Net cash (used in)/generated from continuing operations	**(17,173,503)**	**5,252,780**	**3,287,807**	**4,263,102**

	The group 1 January to 30 June 2023 Eur	The group 1 January to 30 June 2022 Eur	The company 1 January to 30 June 2023 Eur	The company 1 January to 30 June 2022 Eur
Net cash used in discontinued operations	(129,133)	(568,979)	-	-
Net cash (used in) / generated from investing activities	**(17,302,636)**	**4,683,801**	**3,287,807**	**4,263,102**
Financing activities				
Proceeds from bank loan	21,400,000	741,483	21,400,000	-
Repayments of bank loans	(1,782,212)	(757,584)	(1,782,212)	(757,584)
Loan to subsidiary	-		(25,550,688)	-
Repayment of loan by subsidiary	-		1,750,000	
Loan advances by related parties	-		1,333,498	
Payments to related companies	-	(3,453,342)	-	(3,545,322)
Interest received	-	52,356	-	113,334
Payments for lease obligations	(1,943,223)	(1,267,594)	-	-
Interest paid on leasing arrangements	(297,159)	(170,042)	-	-
Net cash (used in in)/generated from continuing operations	**17,377,406**	**(4,854,723)**	**(2,849,402)**	**(4,189,572)**
Net cash used in discontinued operations	(1,066,650)	(161,329)	**-**	**-**
Net cash generated from / (used in) financing activities	**16,310,756**	**(5,016,052)**	**(2,849,402)**	**(4,189,572)**
Net change in cash and cash equivalents	**(2,458,703)**	**2,153,585**	**(395,033)**	**(310,220)**
Cash and cash equivalents, beginning of year	5,611,183	9,666,172	727,660	1,297,371
Cash and cash equivalents, end of period	**3,152,480**	**11,819,757**	**332,627**	**987,151**

1. Basis of preparation

The condensed consolidated interim financial statements as at end of 30 June 2023 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, "Interim Financial Reporting"). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with IFRS as adopted by the EU.

2. Significant accounting policies

2.1 Statement of compliance with IFRS

The condensed interim financial statements have been prepared under the historic cost convention, except for financial instruments at fair value through profit or loss and available-for-sale financial assets, which are stated at their fair values. The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's and Company's annual financial statements for the year ended 31 December 2022.

2.2 New standards, amendments and interpretations adopted as at 1 January 2023

Some accounting amendments became effective on 1 January 2023 and were adopted by the Group and the company do not have a significant impact on the Group and Company's financial results or position. Accordingly, the Group and the Company have made no changes to its accounting policies in 2023.

2.3 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group.

Several new, but not yet effective, standards, amendments to existing standards, and interpretations have been published by the IASB. None of these standards, amendments or interpretations have been adopted early by the Group or the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations neither adopted nor listed by the Group and the Company have not been disclosed as they are not expected to have a material impact on the Group and Company's financial statements.

3. Segmental reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Revenue reported below represents revenue generated from external customers. There were no intersegment sales in the period. The Group's reportable segments under IFRS 8 are direct sales attributable to each country where the Group operates.

Throughout the period, the Group operated in four principal geographical areas – Malta (country of domicile), Poland, Germany and UK.

Measurement of operating segment profit or loss, assets and liabilities

Segment profit represents the profit earned by each segment after the allocation of central administration costs and finance costs based on services and finance provided. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to consolidated totals are reported below:

Profit or loss before tax

	1 January to 30 June 2023 Unaudited	1 January to 30 June 2022 Unaudited
	Eur	Eur
Total profit for reportable segments	**3,060,395**	3,292,157
Other unallocated amounts	**(298,707)**	(1,384,539)
Profit before tax	**2,761,688**	1,907,618

Assets

	30 June 2023 Unaudited	31 December 2022 Audited
	Eur	Eur
Total assets for reportable segments	**151,121,588**	124,376,750
Elimination of receivables	**(112,149,642)**	(73,824,490)
Unallocated amounts		
Property, plant and equipment	**86,612**	1,977,500
Right-of-use assets	**214,738**	412,383
Goodwill	**71,447,722**	63,283,683
Intangible assets	**12,867**	10,044,178
Loans and receivables	**69,545,599**	31,342,146
Deferred tax assets	**221,653**	402,499
Trade and other receivables	**748,348**	421,496
Cash and cash equivalents	**909,324**	1,468,576
Current tax assets	**1,639,634**	1,890,775
Other unallocated amounts	**832,345**	1,842,914
	184,630,788	163,638,410

3. Segmental reporting (continued)

Liabilities

	30 June 2023	31 December 2022
	Unaudited	Audited
	Eur	Eur
Total liabilities for reportable segments	**93,833,588**	92,826,290
Elimination of liabilities	**(49,472.396)**	(40,872,776)
Unallocated amounts		
Bank loans	**26,370,088**	4,906,349
Other financial liabilities	**9,980,518**	8,843,159
Lease liabilities	**229,542**	430,043
Current tax liabilities	**-**	6,957
Deferred tax liabilities	**-**	371,910
Debt securities in issue	**35,879,623**	35,839,176
Trade and other payables	**1,830,521**	1,654,244
Other unallocated amounts	**-**	96,469
	118,651,484	104,101,821

MCM XXIII 1923 INVESTMENTS

3. Segmental reporting (continued)

The Group's revenue and results from continuing operations from external customers and information about its net assets by reportable segment are detailed below:

	Retail and IT Solutions (Poland, Malta and Germany)	Payment processing services 2023	IT solutions and security systems 2022	Total 2023	Unallocated 2023	Eliminations and adjustments 2023	Consolidated 2023
	Eur	Eur	Eur	Eur	Eur	Eur	Eur
Revenue	99,855,417	2,120,168	5,456,281	107,431,866	461,295	(839,886)	107,053,275
Profit before tax	3,249,658	497,741	175,831	3,923,230	3,813,323	(4,974,865)	2,761,688
Depreciation and amortisation	2,748,301	228,510	70,140	3,046,951	130,895	(13,498)	3,164,348
Segment assets	140,476,090	3,510,680	7,134,818	151,121,588	143,880,280	(110,371,080)	184,630,788
Capital expenditure	1,981,454	248,008	15,426	2,244,888	95,966	(39,713)	2,301,141
Segment liabilities	87,714,861	1,653,965	4,464,762	93,833,588	74,290,292	(49,472,396)	118,651,484
Income tax expense	550,765	176,335	63,683	790,783	29,398	(523,225)	296,956

Segment note for 2023 does not include results from the discontinued operations for the period. This information is presented in note 10 to these interim financial statements.

3. Segmental reporting (continued)

	Retail and IT Solutions (Poland and Germany) 2022	Payment processing services 2022	IT solutions and security systems 2022	Discontinued Operations 2022 (Malta and Poland)	Total 2022	Unallocated 2022	Eliminations and adjustments 2022	Consolidated 2022
	Eur	Eur	Eur	Eur	Eur	Eur	Eur	Eur
Revenue	79,647,817	2,641,488	6,118,143	-	88,407,448	719,050	(1,187,610)	87,938,888
Profit before tax	2,609,176	1,022,313	469,323	-	4,100,812	491,493	(2,684,687)	1,907,618
Depreciation and amortisation	1,894,647	201,861	76,993	-	2,173,501	143,443	(13,498)	2,303,446
Segment assets	90,049,392	3,580,621	9,584,110	21,162,627	124,376,750	142,488,751	(103,227,091)	163,638,410
Capital expenditure	2,589,304	349,698	61,677	2,467,649	5,468,328	28,261	-	5,496,589
Segment liabilities	61,123,358	1,638,130	6,996,634	23,068,168	92,826,290	53,653,608	(42,378,077)	104,101,821
Income tax expense	573,163	359,560	164,143	-	1,096,866	302,341	(667,587)	731,620

Comparative information for 2022 has been restated to exclude discontinued operations which are being included in note 10 to these interim financial statements.

4. Revenue

Revenue represents the amount receivable for goods sold and services rendered during the period from continuing operations, net of any indirect taxes as follows:

	The group June 2023 Eur	The group June 2022 Eur	The company June 2023 Eur	The company June 2022 Eur
Sale and distribution of Apple products	98,282,891	78,930,227	-	-
Sale of IT related products	2,553,601	3,106,030		
Rendering of services and development	2,528,393	1,686,411	-	-
Maintenance, support and servicing	1,946,812	2,198,124	-	-
Payment gateway services	1,741,578	2,018,096	-	-
Management fees	-	-	455,484	505,000
	107,053,275	**87,938,888**	**455,484**	**505,000**

5. Goodwill

Group

	Eur
At 01.01.2022	62,888,958
Effect of exchange differences on the retranslation of goodwill on foreign subsidiaries	394,725
At 31.12.2022	**63,283,683**
Effect of exchange differences on the retranslation of goodwill on foreign subsidiaries	1,577,053
Acquisition of subsidiary	42,685,705
Disposal on sale of subsidiary	(36,098,719)
At 30.06.2023	**71,447,722**

5. Goodwill (continued)

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Determining whether the carrying amounts of these assets can be realised requires an estimation of the recoverable amount of the cash generating units. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

Goodwill arising on a business combination is allocated, to the cash-generating units ("CGUs") that are expected to benefit from that business combination.

At 30 June 2023, goodwill was allocated as follows:

1. €21,268,530 (31 December 2022: €18,014,054) to the polish subsidiary iSpot Poland Sp. Z.o.o. which operates the Apple Premium Reseller business;
2. €42,685,705 (31 December 2022: NIL) to the newly acquired Polish subsidiary Cortland Sp. Z.o.o.;
3. €3,860,898 (31 December 2022: €3,860,898) to APCO Systems Limited which operates electronic payment gateways.
4. €2,168,112 (31 December 2022: €2,168,112) to APCO Limited which operates in the business of selling and maintenance of IT solutions and security systems.
5. €1,464,477 (31 December 2022: €1,464,476) to PTL Limited which operates in the business of selling and maintenance of IT solutions and security systems.
6. NIL (31 December 2022: € 37,776,143) to Hili Logistics Limited following its disposal on 28 April 2023.

CGU – Retail and IT solutions (Poland)

The recoverable amount of the CGUs is determined from the value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

5. Goodwill (continued)

Following the assessment that the directors carried out on this CGU's goodwill as at 31 December 2022 and after registering improved performance in the first six months of 2023, the directors are comfortable with the current headroom and thus decided not to carry out a thorough assessment for these interim unaudited financial statements. The directors note that profit before tax at iSpot increased from €2,609,176 in January to June 2022 to €4,304,296 during the period being reported. This positive momentum continues to date.

With respect to the goodwill recognised upon the acquisition of Cortland, the directors believe that the future cashflows arising from Cortland through its business to business clients, its established retail outlets complementing those of iSpot, as well as the synergies potential which exist between the two companies, support the value of the goodwill acquired. Given that the subsidiary has just been acquired, assessments for any indications of impairment will be carried out in the coming months.

Based on the above assessment, the directors expect the carrying amount of goodwill and intangible assets with an indefinite useful life to be recoverable.

CGU – Payment Processing Services

The recoverable amount of the CGUs is determined from the value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The assessment of recoverability of the carrying amount of goodwill and intangible assets with indefinite useful life includes:

- forecasted cash flow projections for the next three years and projection of terminal value using the perpetuity method;
- growth rates to perpetuity of 2% (2022: 2%); and
- use of 26.8% (pre-tax) (2022: 26.8%) to discount the projected cash flows to net present values.

Based on the above assessment, the directors expect the carrying amount of goodwill to be recoverable.

5. Goodwill (continued)

CGU – IT Solutions and Security Systems

The recoverable amount of the CGUs is determined from the value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The assessment of recoverability of the carrying amount of goodwill and intangible assets with indefinite useful life includes:

- forecasted cash flow projections for the next three years and projection of terminal value using the perpetuity method;
- growth rates to perpetuity of 2% (2022: 2%); and
- use of 21.5% (pre-tax) (2022: 18.6% - 20.5%) to discount the projected cash flows to net present values.

Based on the above assessment, the directors expect the carrying amount of goodwill to be recoverable.

6. Intangible assets

Group

	Eur
Cost	
At 01.01.2022	13,840,308
Additions	757,855
Disposals	(644)
Effect of foreign exchange differences	(199,880)
At 31.12.2022	**14,397,639**
Additions	400,152
Additions recognised on acquisition of subsidiary	152,451
Disposals	(122,658)
Effect of foreign exchange differences	74,567
At 30.06.2023	**14,902,151**
Amortisation	
At 01.01.2022	1,777,788
Provision for the period	550,207
Released on disposal	(644)
Effect of foreign exchange differences	(7,702)
At 31.12.2022	**2,319,649**
Provision for the period	338,928
Recognised on acquisition of subsidiary	75,737
Released on disposal	(51,476)
Effect of foreign exchange differences	31,068
At 30.06.2023	**2,713,906**
Carrying amount	
At 31.12.2022	**12,077,990**
At 30.06.2023	**12,188,245**

There were no significant changes in the key assumptions during the interim period. Intangible assets include Apple Premium Reseller operations operating under the brand iSpot together with related contracts and the payment gateway together with development costs, software, licences etc.

Management tests intangible assets with an indefinite useful life annually for impairment or more frequently if there are indications that intangibles might be impaired. Determining whether the carrying amounts of these assets can be realised requires an estimation of the recoverable amount of the cash generating units. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

Based on the assessments carried out as disclosed in note 5, the directors expect the carrying amount of intangible assets with an indefinite useful life to be recoverable.

7. Right of use asset

	Buildings	Motor vehicles	Total
	Eur	Eur	Eur
Gross carrying amount			
At 1 January 2022	17,164,623	841,466	18,006,089
Additions	2,881,856	125,875	3,007,731
Disposals	-	-	-
Termination of leases	(6,908)	(61,533)	(68,441)
Foreign currency exchange differences	(268,669)	-	(268,669)
At 31 December 2022	**19,770,902**	**905,808**	**20,676,710**
At 1 January 2023	19,770,902	905,808	20,676,710
Additions	3,769,710	103,368	3,873,078
Disposals	(1,143,487)	(33,737)	(1,177,224)
Disposals upon sale of subsidiary	(759,179)	(54,797)	(813,976)
Effect of foreign exchange differences	737,852	17,089	754,941
At 30 June 2023	**22,375,798**	**937,731**	**23,313,529**
Depreciation			
At 1 January 2022	6,169,666	337,016	6,506,682
Provision for the year	3,183,527	95,458	3,278,985
Termination of leases	(3,337)	(45,509)	(48,846)
Foreign currency exchange differences	(80,393)	-	(80,393)
At 31 December 2022	9,269,463	386,965	9,656,428
At 1 January 2023	9,269,463	386,965	9,656,428
Provision for the period	1,914,525	82,269	1,996,794
Disposals	(1,143,487)	(4,498)	(1,147,985)
Disposals upon sale of subsidiary	(357,768)	(17,199)	(374,967)
Effect of foreign exchange differences	387,275	4,706	391,981
At 30 June 2023	**10,070,008**	**452,243**	**10,522,251**
Carrying amount			
At 31 December 2022	**10,501,439**	**518,843**	**11,020,282**
At 30 June 2023	**12,305,790**	**485,488**	**12,791,278**

7. Right of use asset (continued)

The depreciation charge on right-of use assets was included in administrative expenses.

The Group has elected to disclose right-of-use assets separately in these financial statements. The information pertaining to the gross carrying amount, depreciation recognised during the period and other movements in right-of-use assets is included in the above table.

Additions in buildings amounting to Eur3,769,710 (2022: Eur2,881,856) made during the first half of 2023 include the signing of new contracts to lease retail outlets at iSpot in Poland amounting to Eur2,092,308 at a rate of 6.5%. Additions in buildings in Germany amounting to Eur1,677,402 by E-Lifecycle during 2023 were carried out at a rate of 3.93%.

The incremental borrowing rate will be re-assessed every time a new lease is entered into by the Group and the corresponding right-of-use asset recognised. New leases are assessed on a case-by-case basis.

The weighted average incremental borrowing rate applied by Harvest to lease liabilities recognised under IFRS 16 is 3.93%. The incremental borrowing rate will be re-assessed every time a new lease is entered into by Harvest and its subsidiaries and the corresponding right-of-use asset recognised. New leases are assessed on a case-by-case basis.

In addition, the Group has financed all of its obligations internally and has therefore not been subject to market fluctuations in the interest rate from its borrowings with third-parties. The Group does not expect these rates to vary significantly in the foreseeable future. Motor vehicles and IT equipment classified under right-of-use assets, are not considered by the Group to be significant and therefore their initial measurement was not subject to a high degree of uncertainty.

Lease liabilities are presented in the statement of financial position as follows:

	30 June 2023 Unaudited	**31 December 2022 Audited**
	Eur	Eur
Current:		
Lease liability	**4,359,916**	3,651,700
Non-current:		
Lease liability	**8,675,771**	7,913,227
	13,035,687	11,564,927

7. Right of use asset (continued)

The Group has leases for its buildings and motor vehicles. With the exception of short-term leases and variable lease payments, each lease is included in the statement of financial position as a right-of-use asset and a lease liability. The Group does not have any leases of low-value underlying assets which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales). The Company classifies its right-of-use assets in a consistent manner to its plant and equipment as applicable.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over buildings, the Group must keep properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items under lease and incur maintenance fees on such items in accordance with the lease contracts.

8. Investment in subsidiaries

The following is a breakdown of the movement in "Investment in Subsidiaries" by the Company during 2023.

	2023	**2022**
	Eur	**Eur**
At 1 January	68,041,520	66,832,577
Additions through the acquisition of subsidiary	22,382,810	1,208,743
Additions as a result of increase in share capital of subsidiary	1,700,000	200
Disposal of subsidiary	(33,575,000)	-
At 30 June / 31 December	**58,549,330**	**68,041,520**

9. Loans and receivables

	The group 2023 Eur	The group 2022 Eur	The company 2023 Eur	The company 2022 Eur
Loans receivable from ultimate parent	28,418,020	3,734	28,406,924	-
Loans receivable from subsidiaries	-	-	41,003,846	31,800,306
Loans receivable from other related parties	200,482	1,506,982	134,825	1,560
Other receivables	8,331,789	7,913,456	-	-
	36,950,291	**9,424,172**	**69,545,595**	**31,801,866**
Comprising:				
Non-current				
Loans receivable from ultimate parent	28,406,924	-	28,406,924	-
Loans receivable from subsidiaries	-	-	34,934,944	26,750,380
Loans receivable from other related parties	-	1,505,422	-	-
Other receivables	8,331,789	7,913,456	-	-
	36,738,713	**9,418,878**	**63,341,868**	**26,750,380**
Current				
Loans receivable from ultimate parent	11,096	3,734	-	-
Loans receivable from subsidiaries	-	-	6,068,902	5,049,926
Loans receivable from other related parties	200,482	1,560	134,825	1,560
	211,578	**5,294**	**6,203,727**	**5,051,486**

Loans issued to ultimate parent, subsidiaries and other related parties bear an interest rate ranging from a fixed rate of 4.5% to a base rate of 4.25% plus three-month Euribor.

Loans receivable from ultimate parent include an amount receivable of Eur11,700,000 in connection with the disposal of the Hili Logistics division and loans amounting to Eur16,706,924 previously granted to Hili Logistics and which were assigned to Hili Ventures during the period under review. These loans are repayable in full by 31 December 2025.

During 2023, the company also granted loans amounting to Eur22,217,970 and Eur2,770,915 to Polish subsidiaries iSpot and Cortland respectively. These are repayable within five years.

10. Disposal of subsidiaries classified as discontinued operations

On 28 April 2023, the Company announced that it had concluded a share transfer agreement with its sister company HV Marine Limited for the sale of the Company's entire shareholding in Hili Logistics Limited on the same date, for a consideration of Eur37,000,000.

Revenue and expenses, gains and losses relating to the discontinuation of the operations have been eliminated from the results of the Group's continuing operations and are shown as a single line item on the face of the statement of comprehensive income.

The results from the discontinued operations in this disposal group are summarised as follows:

	1 January to 28 April 2023	1 January to 30 June 2022
	Eur	Eur
Revenue	10,579,340	17,761,703
Direct operating costs	(6,899,385)	(13,242,351)
Gross profit	**3,679,955**	4,519,352
Administrative expenses	(2,676,249)	(3,729,074)
Share of profits in associates	251,246	396,119
Other income	435,370	591,386
Finance costs	(80,548)	(28,574)
Profit before tax	**1,609,774**	1,749,209
Tax expense	(200,739)	(386,216)
Profit from discontinued operations	**1,409,035**	1,362,993

The cash flows generated by / (used in) subsidiaries classified as discontinued operations are summarised as follows:

	The Group	The Group
	January – April 2023	**January – June 2022**
	Eur	Eur
Operating activities	78,005	2,404,644
Investing activities	(129,133)	(568,979)
Financing activities	(1,066,650)	(161,329)
Net Cash Flow	**(1,117,778)**	**1,674,336**

11. Trade and other receivables

The balance of trade and other receivables is made up as follows:

	Group		**Company**	
	30 June 2023 Unaudited	**31 December 2022 Audited**	**30 June 2023 Unaudited**	**31 December 2022 Audited**
	Eur	Eur	**Eur**	Eur
Trade receivables	**6,294,166**	11,046,174	**-**	-
Amounts owed by ultimate parent	**10,216**	8,691	**-**	-
Amounts owed by associates	**-**	-	**-**	-
Amounts owed by related parties	**-**	850,121	**-**	-
Other receivables	**103,381**	82,968	**-**	-
Prepayment and accrued income	**144,698**	78,975	**194,811**	179,840
Financial assets	**6,552,461**	12,066,929	**194,811**	179,840
Other receivables	**1,256,718**	1,898,530	**18,012**	95,750
Trade and other receivables – current	**7,809,179**	13,965,459	**212,823**	275,5890

No interest is charged on trade and other receivables.

Allowance for estimated irrecoverable amounts

Trade receivables are stated net of an allowance for expected credit loss from trade receivables. Trade receivables before the allowance for expected credit loss from trade receivables amounts to Eur6,598,672 (31 December 2022 – *Eur11,364,804*).

12. Trade and other payables

The balance of trade and other payables is made up as follows:

	Group		Company	
	30 June 2023 Unaudited	**31 December 2022 Audited**	**30 June 2023 Unaudited**	**31 December 2022 Audited**
	Eur	Eur	**Eur**	Eur
Trade payables	**18,238,301**	20,400,676	**26,098**	58,797
Amounts payable to ultimate parent	**6,059**	8,759		-
Amounts payable to related parties	**14,910**	24,162	**-**	-
Other payables	**127,716**	259,575	**-**	182,241
Accruals	**4,402,961**	6,160,599	**1,657,561**	775,997
	22,789,947	26,853,771	**1,683,659**	1,017,035
Other creditors	**809,456**	5,716,937	**-**	-
Deferred income	**1,023,149**	996,486	**-**	-
Trade and other payables	**24,622,552**	33,567,194	**1,683,659**	1,017,035
Comprising:				
Long term payables				
Trade and other payables	**553,797**	730,282	**-**	-
	553,797	730,282	**-**	-
Current payables				
Trade and other payables	**24,068,755**	32,836,912	**1,683,659**	1,017,035
	24,068,755	32,836,912	**1,683,659**	1,017,035

13. Other financial liabilities

	The Group June 2023 Eur	The Group 2022 Eur	The Company June 2023 Eur	The Company 2022 Eur
Amounts owed to ultimate parent	6,197,014	4,114,275	6,197,013	4,037,480
Amounts owed to joint venture	-	-	-	-
Amounts owed to other related parties	1,296,237	-	1,296,237	2,372,679
Amounts owed to subsidiaries	-	-	2,442,099	-
Other payables	33,610		45,169	
	7,526,861	**4,114,275**	**9,980,518**	**6,410,159**
Comprising:				
Non-current liabilities				
Other financial liabilities	**4,027,152**	**4,114,275**	**7,571,541**	**4,863,789**
Current liabilities				
Other financial liabilities	**3,499,709**	**-**	**2,408,977**	**1,546,370**

14. Bank overdrafts and loans

Group

Bank loans as at 30 June 2023 amounted to Eur26,370,088 as follows:

	Eur
1923 Investments p.l.c.	26,370,088
	26,370,088

During 2020, 1923 Investments obtained a loan with a local bank for Eur2,250,000 which was increased by Eur430,000 in June 2021. The loan bears interests at a variable interest rate that amounted to 4.25% (2022: *3.75%*) at 30 June 2023 and which will be increased to 4.5% as from 1 August 2023. As at 30 June 2023 the balance of this loan amounts to Eur1,665,852 (2022: Eur1,861,779). This loan is unsecured and ranks with priority to all other general creditors of the Company.

In December 2021, 1923 Investments obtained a loan from another local bank for Eur6,000,000. The loan is payable by quarterly instalments of Eur330,860 and bears interest at 3.75% per annum plus 3 month Euribor per annum and repayable in full within 5 years from drawdown. As at 30 June 2023 the balance of this loan amounts to Eur4,374,236 (31 December 2022: Eur4,890,520).

This loan was granted under a first general hypothec of Eur6,000,000 over all assets present and future, whilst ranking with priority to all other general creditors of the Company.

In March 2023, 1923 Investments obtained a loan from a local bank for Eur21,400,000. The loan is payable in quarterly instalments of Eur1,070,000 and bears interest at 4.1% per annum plus 3-month Euribor and repayable in full within 5 years from drawdown. As at 30 June 2023 the balance of this loan amounts to Eur20,330,000.

Harvest Technology has three overdraft facilities in two of its subsidiaries amounting to Eur1,070,000 secured by a general hypothec over present and future assets of the Harvest group and bear interest between 3.5% and 5.5%.

The group's banking facilities for iSpot includes an overdraft facility of PLN8,000,000 (Eur1,802,289) and a receivable financing of PLN3,000,000 (Eur675,858) which were not utilised as at balance sheet date. Furthermore, iSpot has an Import Loan facility of PLN25,000,000 (Eur5,646,483) which as at 30 June 2023 was fully utilised (2022: Eur741,483).

The above facilities are secured by corporate guarantees provided in favour of the suppliers of Apple products for an amount of PLN72,000,000 (Eur16,408,387). Included in the PLN72,000,000 is a PLN6,000,000 (Eur1,367,366) guarantee line for rental payment of store outlets up to one year.

15. Debt securities in issue

In December 2014, the company issued 360,000 5.1% unsecured bonds having a nominal value of *Eur100* per bond. The bonds are redeemable at their nominal value on 4 December 2024. Interest on the bonds is due and payable annually on 4 December of each year. The bonds are listed on the Official List of the Malta Stock Exchange.

The carrying amount of the bonds is net of direct issue costs of Eur120,372 (December 2022 – Eur160,821) which are being amortised over the life of the bonds. The market value of debt securities on the last trading day before the statement of financial position date was at Eur100 resulting in a market value of Eur36,000,000 (December 2022 – Eur36,180,000)

16. Related party transactions

During the course of the year, the group and the company entered into transactions with related parties, as set out below.

Group

	2023			2022		
	Related party activity Unaudited	Total activity Unaudited		Related party activity Unaudited	Total activity Unaudited	
	Eur	Eur	%	Eur	Eur	%
Revenue						
Related party transactions						
Ultimate parent	50,793			25,455		
Other related parties	154,023			125,204		
	204,816	**107,053,275**	**0.19%**	150,659	87,938,888	0.17%
Cost of sales						
Related party transactions						
Ultimate parent	4,524			837		
Other related				2,028		
	4,524	**94,192,962**	**0.01%**	2,865	77,446,174	-
Administrative expenses						
Related party transactions with:						
Ultimate parent	357,098			300,294		
Other related parties	135,928			120,003		
	493,026	**10,969,848**	**4.49%**	420,297	6,790,872	6.19%

16. Related party transactions (continued)

Holding company

	2023			2022		
	Related party activity Unaudited	**Total activity Unaudited**		**Related party activity Unaudited**	**Total activity Unaudited**	
	Eur	Eur	%			%
Revenue						
Related party transactions with:						
Other related parties	455,484	455,484	100%	505,000	505,000	100%
Administrative						
Related party transactions with:						
Parent company	347,415			300,000		
Other related parties	36,072			31,074		
	383,487	1,167,183	32.9%	331,074	1,169,608	28.3%
Investment income						
Related party transactions with:						
Subsidiaries	1,014,492	1,014,492	100%	441,461	441,461	100%

17. Fair value of financial assets and financial liabilities

At 30 June 2023 and 31 December 2022, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

The fair values of non-current financial assets and non-current financial liabilities that are not measured at fair value, other than the shares in subsidiary companies that are carried at cost, and the debt securities in issue (where fair value is disclosed in note 12), are not materially different from their carrying amounts due to the fact that the interest rates are considered to represent market rates at the year end.

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The fair value of the derivative financial instruments is established by using a valuation technique. Valuation techniques comprise discounted cash flow analysis. The valuation technique is consistent with generally accepted economic methodologies for pricing financial instruments. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the rates at end of the reporting period and the credit risk inherent in the contract.

17. Fair value of financial assets and financial liabilities (continued)

The following table provides an analysis of financial instruments that are not measured subsequent to initial recognition at fair value, other than those with carrying amounts that are reasonable approximations of fair value and other than shares in subsidiary companies, grouped into Levels 1 to 3.

Group

	Fair value measurement at end of reporting period using				
	Level 1	**Level 2**	**Level 3**	**Total**	**Carrying amount**
	Eur	**Eur**	**Eur**	**Eur**	**Eur**
Financial assets Loans and receivables					
Receivables from related parties	-	9,424,172	-	9,424,172	9,424,172
As at 31.12.2022	**-**	**9,424,172**	**-**	**9,424,172**	**9,424,172**
Receivables from related parties	-	36,950,291	-	36,950,291	36,950,291
As at 30.06.2023	**-**	**36,950,291**	**-**	**36,950,291**	**36,950,291**
Financial liabilities at amortised cost					
Related party loans	-	4,114,275	-	4,114,275	4,114,275
Bank overdrafts and loans	-	13,299,343	-	13,299,343	13,299,343
Debt securities	36,180,000	-	-	36,180,000	35,839,176
As at 31.12.2022	**36,180,000**	**17,413,618**	**-**	**53,593,618**	**53,252,794**
Related party loans	-	7,526,861	-	7,526,861	7,526,861
Bank overdraft and loans	-	32,016,571		32,016,571	32,016,571
Debt securities	36,000,000	-	-	36,000,000	35,879,623
As at 30.06.2023	**36,000,000**	**39,543,432**	**-**	**75,543,432**	**75,423,055**

17. Fair value of financial assets and financial liabilities (continued)

Holding company

	Fair value measurement at end of reporting period using				
	Level 1	**Level 2**	**Level 3**	**Total**	**Carrying amount**
	Eur	**Eur**	**Eur**	**Eur**	**Eur**
Financial assets					
Loans and receivables	-	31,801,866	-	31,801,866	31,801,866
As at 31.12.2022	-	31,801,866	-	31,801,866	31,801,866
Loans and Receivables	-	69,545,599	-	69,545,599	69,545,599
As at 30.06.2023	**-**	**69,545,599**	**-**	**69,545,599**	**69,545,599**
Financial liabilities at amortised cost					
Related party loans	-	6,410,159	-	6,410,159	6,410,159
Bank Loans	-	6,752,299	-	6,752,299	6,752,299
Debt securities	36,180,000	-	-	36,180,000	35,839,176
As at 31.12.2022	36,180,000	13,162,458	-	49,342,458	49,001,634
Related party loans	-	9,980,518	-	9,980,518	9,980,518
Bank Loans	-	26,370,088		26,370,088	26,370,088
Debt securities	36,000,000	-	-	36,000,000	35,879,623
As at 30.06.2023	**36,000,000**	**36,350,606**	**-**	**72,350,606**	**72,230,229**

18. Financial instrument risk

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments.

The Group's risk management is coordinated by the directors and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial risks.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development. Where applicable, any significant changes in the Group's exposure to financial risks or the manner in which the Group manages and measures these risks are disclosed below. Any re-assessment of risk considered by management to be of significance has been disclosed in the appropriate risk analysis below.

18. Financial instrument risk (continued)

18.1 Market risk analysis

Foreign currency risk

Foreign currency transactions arise when the Group buys or sells goods or services whose price is denominated in a foreign currency, borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency or acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency. Foreign currency transactions comprise mainly transactions in PLN, USD and GBP.

The Group is not expected to have significant movements on exchange as it continues to monitor and manage its risks closely to minimise any impact from currency movements. As a result, management does not expect to have significant currency movements on such transactions.

Interest rate risk

The Group has loans and receivables, debt securities in issue and other financial liabilities with a fixed coupon. The Group also had cash at bank which is not subject to significant fluctuations in interest rates. During 2021, the Group took an additional interest-bearing facility as disclosed in note 11. The interest rates on all of the Group's bank borrowings and the terms of such borrowings are disclosed accordingly within such note.

As a result, the Group is not exposed to significant interest rate risk as most of its interest-bearing receivables and payables are either subject to a fixed interest rate or to a rate which is not considered by management to be subject to significant fluctuations until full settlement of the borrowings, which comprise mainly borrowings from bank.

18.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, loans and receivables, trade and other receivables.

Credit risk management

The credit risk is managed both at the level of each individual subsidiary as well as on a Group basis, based on the Group's credit risk management policies and procedures.

Loans and receivables and certain trade receivables comprise amounts due from related parties. The Group and Company's concentration to credit risk arising from these receivables are considered limited as there were no indications that these counterparties are unable to meet their obligations. Management considers these to be of good credit quality.

18. Financial instrument risk (continued)

The Group and the Company hold money exclusively with institutions having high quality external credit ratings. The cash and cash equivalents held with such banks at 30 June 2023 and 31 December 2022 are callable on demand. The banks with whom cash and cash equivalents are mainly held form part of an international group with an A credit rating by Standard and Poor's and similar high ratings by other agencies. The Group also holds cash with a local bank having a credit rating of BBB- by Standard and Poor's. Cash held by the Group with other local banks for which no credit rating is available are not significant. The Group also holds an amount of cash and cash equivalents with an international bank, through the acquisition of a new subsidiary, whose credit rating is A- by Standard and Poor's. Such amount is not however considered to be significant to the Group and management considers the bank to be a reputable bank that operates in the international banking industry. Management considers the probability of default from such banks to be close to zero and the amount calculated using the 12-month expected credit loss model to be very insignificant. Therefore, based on the above, no loss allowance has been recognised by the Group and the Company.

The Group assesses the credit quality of its customers by taking into account their financial standing, past experience and other factors, such as bank references and the customers' financial position.

Management is responsible for the quality of the Group's credit portfolios and has established credit processes involving delegated approval authorities and credit procedures, the objective of which is to build and maintain assets of high quality.

Individual risk limits are set in accordance with limits set by the Group's respective boards. The utilisation of credit limits is regularly monitored. Each new individual customer is analysed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from management. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

The Group's policy is to deal only with credit-worthy counterparties. The credit terms are generally between 30 and 90 days. The credit terms for customers as negotiated with customers are subject to an internal approval process as abovementioned. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

Trade receivables consist of a large number of customers in various industries.

The Expected Credit Loss (ECL) at 30 June 2023 was estimated based on a range of forecast economic scenarios as at that date.

18. Financial instrument risk (continued)

Trade receivables

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 36 months before 30 June 2023 and 31 December 2022 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

The Group has also taken into consideration the financial position of, and risk exposure to, large customers in order to determine whether the Group's credit risk has changed from the last reporting period. There are no particular indicators that suggest that the assessment of the expected credit risk model adopted by the Group materially varies from expectations of collectability and previous patterns of payments from such customers. Furthermore, subsequent to the end of the reporting period, the Group has received a significant amount of collections from due balances outstanding at 30 June 2023. While the Group continues to closely monitor all of its financial assets at more frequent intervals due to events such as the ongoing war in Ukraine or other changing economic circumstances, management considers that the level of ECL provisions at period end remains adequate.

18.3 Liquidity risk

The Group's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise bank borrowings, trade and other payables and other financial liabilities. Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Group's and Company's obligations when they become due.

Management considers that the Group is not exposed to a significant amount of liquidity risk as it continues to efficiently manage its liquidity needs on a timely basis. The Group has not encountered any particular difficulties to collect amounts due from customers and collections remain within expectations as explained above.

18. Financial instrument risk (continued)

18.4 Financial instruments measured at fair value

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

At 30 June 2023 and 31 December 2022, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

The fair values of non-current financial liabilities and the non-current loans and receivables are not materially different from their carrying amounts due to the fact that the interest rates are considered to represent market rates at the year-end or because they are repayable on demand. The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the company and the Group determine when transfers are deemed to have occurred between levels in the hierarchy at the end of each reporting period.

19. Contingent liabilities

As at 30 June 2023, one of the Group's subsidiaries under the Harvest Technology division had guarantees amounting to Eur690,379 (at 31 December 2022: Eur572,570) in favour of third parties on major projects being executed in Malta.

SAD sp. z o.o. ("SAD"), a Polish subsidiary of iSpot, is subject to tax proceedings regarding the correctness of its VAT settlements for February 2015 and for March to July 2015. In the statement of grounds, the Polish tax authorities ("TA") invoked SAD's alleged failure to exercise due diligence in verifying its contractors.

Regarding the tax proceedings for February 2015, on 25 April 2019, the TA issued a decision in which it denied SAD the right to deduct VAT in the amount of PLN 6,031,627 (equivalent to Eur1,374,573) and determined an additional amount of VAT liability of PLN 2,604,732 (equivalent to Eur593,603).

With respect to the tax proceedings for March to July 2015, on 17 November 2021, the TA issued a decision in which it determined SAD's VAT liability of PLN 16,891,886 (equivalent to Eur3,849,564).

19. Contingent liabilities (continued)

In order to avoid being charged further interest, the Management Board of SAD decided to deposit an amount equivalent to the VAT being claimed by the Polish Tax Authority, resulting from the February as well as the March to July 2015 assessments. On 23 December 2022, SAD paid an amount of PLN27,478,176 (equivalent to Eur6,262,119) to the tax authorities, which consisted of the VAT liability for the February as well as the March-July 2015 assessments in the amount of PLN 15,525,829 (equivalent to Eur3,538,247) plus interest, in addition to amounts already paid.

The total value of assets subject to both proceedings for February 2015 and March to July 2015 in SAD's books is PLN 35,616,100 (equivalent to Eur8,116,705) as at the balance sheet date is shown in the statement of financial position with loans and receivables (non-current).

For both proceedings, SAD disagrees with the position of the TA and appealed the decisions. Counterparty verification procedures applied by SAD in 2015 were not less strict than those used in 2012-2013 and it worth noting that, following tax proceedings for Q4 2012 and for May to June 2013, the TA stated that SAD exercised due diligence in verifying its contractors.

On 30 January 2023, the Provincial Administrative Court in Warsaw issued a positive judgement in favour of SAD on points of administrative procedures in which it obliged the Director of the Tax Administration Chamber in Warsaw to assess whether the statute of limitations was effectively suspended in the case and provided the Tax Administration Chamber until 20 March 2023 to appeal the case. An appeal was subsequently lodged by the tax authorities on 25 May 2023. In the opinion of SAD's tax advisers, there is no sufficient information in the case files to assume that the extension of the DTAC deadline to file the cassation appeal was correct. In response to the Tax Authorities cassation appeal, SAD filed a formal response emphasizing that the cassation appeal should not be accepted as it was filed after the deadline.

In the opinion of SAD management and its tax advisers and based on the positive judgement above, it is more likely than not that the tax disputes will be settled in favour of SAD, as in the case of previous audits covering such transactions; provided no new evidence from fiscal penal proceedings (suggesting the SAD's participation in VAT fraud) is included in the case file. If the case resolution is favourable for SAD, the amount deposited will be returned along with the interest.

One of the Group's subsidiaries under the Apple retail business division in Poland signed an agreement with mBank on line guarantees and letters of credit in the amount of PLN 72,000,000 equivalent to Eur16,408,386 (2022: Eur15,381,986).

20. Events after the end of the reporting period

There were no significant events after the end of the reporting period.

We confirm that to the best of our knowledge:

(a) the condensed interim financial statements give a true and fair view of the financial position of 1923 Investments p.l.c. (the "Company") and its subsidiaries (the "Group") as at 30 June 2022, and the financial performance and cash flows of the Company and the Group for the half year then ended, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 – Interim Financial Reporting); and

(b) the interim directors' report includes a fair review of the information required in terms of Capital Market Rules 5.81 to 5.84.

Approved by the Board of Directors on 30th August 2023 and signed on its behalf by:

David Bonett
Chairman

Dorian Desira
Non-Executive Director