

BORTEX GROUP FINANCE PLC

Bortex Group Finance plc
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Co Reg No: C82346

COMPANY ANNOUNCEMENT

The following is a Company Announcement by Bortex Group Finance plc (C82346) (hereinafter the 'Company') of 32, Hughes Hallet Street, Sliema, pursuant to the Capital Market Rules as issued by the Malta Financial Services Authority:

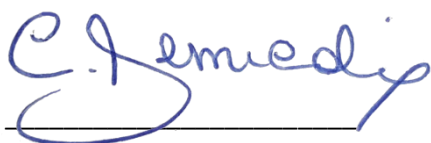
Quote

The Board of Directors of the Bortex Group Finance plc (the Issuer) has approved the Company's half yearly financial report as at 30th April 2024 on 28th June 2024.

The said Financial Statements are available for viewing on <http://bortexgroupholdings.com/investor-relations/>

Unquote

By order of the Board.



Christine Demicoli
Company Secretary

28th June 2024



Condensed Interim Financial Statements
For the six months period ended 30 April 2024

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GENERAL INFORMATION

Directors Ms Karen Borg (Chairperson)
Mr Peter Paul Borg
Mr Joseph Cachia
Ms Christine Demicoli
Mr. Paul Fredrick Darmanin
Dr Etienne Borg Cardonoa

Company Secretary Ms Christine Demicoli

Registered Office 32
Hughes Hallet Street
Sliema SLM3142
Malta

Country of Incorporation Malta

Auditors Ernst & Young Malta Limited,
Regional Business Centre,
Archille Ferris Street,
Msida MSD 1751
Malta

Principal bankers Bank of Valletta p.l.c.,
Corporate Finance
BOV Centre
Triq il-Kanun
Santa Venera SVR 9030
Malta

INTERIM DIRECTORS' REPORT

The directors present their report and the condensed interim financial statements of Bortex Group Finance p.l.c (the "Company") in terms of Chapter 5 of the Capital Market rules issued by the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The condensed interim financial statements have been prepared for the six months ended on 30 April 2024, in accordance with International Financial Reporting Standards as adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting').

Principal activity

The Company was incorporated on 30 August 2017 in terms of the Companies Act (Cap. 386 of the laws of Malta). The Company's principal activity is to carry on the business of a finance and investment company in connection with ownership, development, operation, and financing of the business activities of the companies forming part of the Bortex Group of Companies (the "Group"). The Company is wholly owned subsidiary of Bortex Group Holdings Company Limited – C4863.

Trading performance and operational review

Interest income receivable from related parties for the current period ended 30 April 2024 amounted to €281,174 (2023: €281,174). Finance cost for the same period amounted to €252,409 (2023: €243,886). Loss before taxation for the current six-month period was €8,139 (2023: Profit of €5,898). On 1 December 2023, the Company paid out €476,281, as part of annual interest due to its bond holders. The Group's principal activities are mainly the manufacture, sale and retailing of quality menswear and ladies wear, the operations of 1926 Le Soleil in Sliema and 1926 Le Parisot in Valletta, real estate development and management.

Manufacturing and retail

The Group is continuing to consolidate its private label contract manufacturing operations through its manufacturing bases in the Far East and North Africa with a particular focus on selected third-party accounts. Simultaneously, it has continued to make further inroads into the corporate and school wear divisions adding several major new contracts to its portfolio which will bear fruit over the coming years. Made to measure operations out of the Group's facilities in Malta have also registered moderate growth and the objective in this area is to further develop this niche which the Group believes will experience further growth over the coming years.

During the first half of the year the Group also concentrated on optimizing the performance of its newly launched retail locations, including the Barlowes department store at Mercury Towers and the Shoreline Mall location which launched during March, as well as the newly rebuilt store in the Mosta high street which was launched as part of the Group's new mixed-use development there. The addition of so much additional space requires a concerted effort to further develop the brand mix within the fashion segment as well as the introduction of new product categories. The focus in this area remains to improve sales densities, margins and efficiencies whilst continuing to provide the levels of customer service that Bortex stores are renowned for.

During this period, group revenue exceeded last year by €800,000, falling short of budget by €600,000, due to the delayed opening of the Shoreline Mall. EBITDA for the first six months of the year was €130,000 over last year but was also below budget by €280,000.

Commercial property

The Group's property portfolio shows the addition of the new mixed-use project in Mosta which houses not only the new Bortex Fine Tailoring retail branch but also eleven furnished apartments and a cafeteria. Currently the entire portfolio of the commercial property for rental which includes retail space in Sliema, office space in Mriehel and the new residential and catering spaces in Mosta, is fully let and has contributed €150,000 to the overall results of the Group during the first six months of the year.

INTERIM DIRECTORS' REPORT – continued

Hospitality and real estate

The Group is pursuing a strategy of steady yet selective growth in the hospitality sector, with a focus on unique and innovative concepts in niche markets. In the first six months of the year, work began on the development of 1926 Les Bains, a boutique spa hotel featuring 32 suites, each equipped with private spa facilities, and a rooftop pool. This unique concept will also include a new spa, 1926 L'Esprit de Thermes, offering a distinctive Roman bathing experience. This project aligns with the Group's sustainability and wellness ethos in the hospitality segment. These months also served as a pre-project phase for developing Group owned property in Valletta into a luxury boutique hotel featuring five suites including an art gallery, introducing a novel concept to the tourism market.

During this period, construction also commenced on a state-of-the-art panoramic restaurant, an infinity pool, and a deck area on the rooftop of 1926 Le Soleil. This project is expected to be completed and operational by July 2024. Despite initial expectations of reduced revenues for 1926 Le Soleil due to unavailable inventory during the project phase, the first six months of the year have exceeded budgeted revenues by €500,000, coming in only €200,000 less than last year's figures. EBITDA has surpassed budget expectations by €300,000, although it remains €300,000 lower than the last year.

The performance of 1926 Le Parisot has met projections and results are slightly better than last year.

Concluding remarks

The Group is forecasting an aggregate EBITDA for the financial year ending 31st October 2024 of €4.6 million (31st October 2023: €5.3 million), and a profit before tax of around €2.1 million (31st October 2023: €2.4 million). These projections are based on management's prudent assessment of the most likely scenarios. The expected decrease in EBITDA and profit before tax is influenced by market conditions and strategic investments in new projects, which are anticipated to yield long-term benefits.

Dividends

The directors do not recommend the payment of an interim dividend.

Director's statement pursuant to Capital Market Rules 5.75.3

We hereby confirm that to the best of our knowledge:

1. the condensed half-yearly report gives a true and fair view of the financial position of the Company as at 30 April 2024 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34).
2. the interim directors' report includes a fair review of the information required in terms of Capital Market Rules 5.81 to 5.84.



KAREN BORG
Chairperson

28 June 2024



PETER PAUL BORG
Director

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 April 2024 € (Unaudited)	As at 31 October 2023 € (Audited)
ASSETS			
Non-current assets			
Loans receivable	6	12,496,627	12,496,627
Current assets			
Receivables	7	240,404	520,751
Cash at bank	8	412,370	362,694
Total current assets		652,774	883,445
Total assets		13,149,401	13,380,072
EQUITY AND LIABILITES			
Capital and reserves			
Share Capital		250,000	250,000
Retained Earnings		10,544	20,506
Total equity		260,544	270,506
Non-current liabilities			
Debt securities in issue	9	12,649,930	12,636,583
Current liabilities			
Payables		20,518	11,126
Income tax payable		9,654	15,884
Debt securities in issue	9	208,755	445,973
Total current liabilities		238,927	472,983
Total Liabilities		12,888,857	13,109,566
Total equity and liabilities		13,149,401	13,380,072

The notes on pages 9 to 16 are an integral part of these condensed interim financial statements.

The condensed interim financial statements on pages 5 to 16 were authorised for issue by the board of directors on 28 June 2024 and were signed on its behalf by:



KAREN BORG
Chairperson



PETER PAUL BORG
Director

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 April	
	2024	2023
	€	€
	(Unaudited)	(Unaudited)
Interest income	281,174	281,174
Interest expense	(252,409)	(243,886)
Net interest income	28,765	37,288
Administrative expenses	(36,904)	(31,390)
(Loss)/Profit before tax	(8,139)	5,898
Tax expenses	(1,823)	–
(Loss)/Profit for the period	(9,962)	5,898
Other comprehensive income for the period	–	–
Total comprehensive (loss)/income for the period	(9,962)	5,898

The notes on pages 9 to 16 are an integral part of these condensed interim financial statements.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

(Unaudited)	Share capital €	Retained earnings €	Total €
Balance at 1 November 2022	250,000	37,790	287,790
Profit for the six months period ended	-	5,898	5,898
Other comprehensive income	-	-	-
Total Comprehensive income	-	5,898	5,898
Balance at 30 April 2023	<u>250,000</u>	<u>43,688</u>	<u>293,688</u>
(Unaudited)			
Balance at 1 November 2023	250,000	20,506	270,506
Loss for the six months period ended	-	(9,962)	(9,962)
Other comprehensive income	-	-	-
Total Comprehensive loss	-	(9,962)	(9,962)
Balance at 30 April 2024	<u>250,000</u>	<u>10,544</u>	<u>260,544</u>

The notes on pages 9 to 16 are an integral part of these condensed interim financial statements.

INTERIM CONDENSED STATEMENT OF CASH FLOWS

	For the six months ended 30 April	
	2024 € (Unaudited)	2023 € (Unaudited)
Cash flows from operating activities		
(Loss)/Profit before taxation	(8,139)	5,898
<i>Adjustments for:</i>		
Interest expense	252,409	243,886
Interest income	(281,174)	(281,174)
Operating loss before working capital movement	(36,904)	(31,390)
Movement in other receivables	(827)	–
Movement in other payables	9,392	(2,038)
Cash flow used in operations	(28,339)	(33,428)
Interest received	562,348	562,348
Interest paid	(476,281)	(478,547)
Taxation paid	(8,052)	–
Net cash generated from operating activities	49,676	50,373
Net movement in cash at bank	49,676	50,373
Cash at bank at beginning of period	362,694	346,649
Cash at bank at end of period	412,370	397,022

The notes on pages 9 to 16 are an integral part of these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Bortex Group Finance plc (the “Company”) is a limited liability company incorporated in Malta. Its registered office is provided on page 2. The Company’s principal activity, which is unchanged since last year, is that of financing other companies within the Bortex Group namely Roosendaal Hotels Limited, Roosendaal Trading Limited and Bortex Clothing Industry Company Limited through a debt security in issue.

By virtue of an offering memorandum dated 30 October 2017 the Company issued 127,500 3.75% annual interest-bearing bonds with a face value of €100 each to the general public. The proceeds received therefrom were advanced to related companies at an annual interest rate of 4.5%. The bonds are redeemable at par and are due for redemption on 1 December 2027. The bonds are guaranteed by Bortex Group Holdings Company Limited, which has bound itself jointly and severally liable with the issuer, for the repayment of the bonds and interest thereon, pursuant to and subject to the terms and conditions in the offering memorandum.

2. BASIS OF PREPARATION

The financial information of the Company as at 30 April 2024 and for the six-month period then ended reflect the financial position and the performance of Bortex Group Finance p.l.c. The comparative amounts reflect the financial position of the Company as included in the audited financial statements ended 31 October 2023 and the unaudited results for the period ended 30 April 2023.

These condensed interim financial statements (‘interim financial statements’) for the period ended 30 April 2024 are being published pursuant to Capital Market Rules 5.74 issued by the Malta Financial Services Authority (‘MFSA’) and the Prevention of Financial Markets Abuse Act, (Cap. 476 of the Laws of Malta). The interim financial statements have been reviewed in terms of ISRE 2410 ‘Review of interim financial information’ performed by the independent auditor of the Company. The interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting and in terms of the Capital Market Rules 5.81 to 5.84.

The interim financial statements have been prepared under the historical cost convention and prepared in accordance with the same accounting policies, presentation and methods of computation adopted in the Company’s most recent annual financial statements for the year ended 31 October 2023.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as at 31 October 2023, which form the basis for these interim financial statements. These interim financial statements are intended to provide an update on the latest complete set of annual financial statements and accordingly they focus on new activities, events and circumstances.

3. GOING CONCERN

These Interim Condensed Financial Statements have been prepared on a going concern basis which assumes that the Company will continue in existence in the foreseeable future. Bortex Group (comprising of Bortex Group Holdings Company Limited as the Guarantor (the ‘Guarantor’, Roosendaal Hotels Limited, Roosendaal Trading Limited and Bortex Clothing Industry Company Limited) has prepared projections for the coming 14-month period ending 30 June 2025.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - continued**3. GOING CONCERN - continued**

The projections factor in the current macro-economic environment resulting from a combination of inflation, increase in the interest rates and in importation costs, uncertainties regarding future developments and those inherent to the specific industry in which these companies operate. The Company recognises that the key risk and uncertainty of its operations is that of the potential non-fulfilment of repayment obligations in terms of loan interest and principal by the borrowers, which will in turn cause it to not fulfil the bond repayment obligations. The forecasts project positive cash flows for the Group throughout. As at 31 October 2023, the Group had a cash reserve of €1.256 million, together with unutilised banking overdraft facilities of around €3 million. The Group is forecasting a cash reserve of around €4.7 million by 30 June 2025.

The Directors of the Guarantor have concluded that Bortex Group should be able to ensure that it does meet its commitments both financial and otherwise, and hence, the Company's obligations to bondholders and third parties should be met in full. In this respect, the Company have assessed that Bortex Group Finance plc is expected to have the necessary funds to finance the payment of bond interest falling due in December 2024 and going forward.

On this basis, the Board continues to adopt the going concern basis in preparing the Company's interim condensed financial statements and considers that there are no material uncertainties which may cast doubt about the ability of the Company to continue operating as a going concern.

4. APPLICATION OF NEW OR REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Standards, interpretations and amendments to published standards effective during the reporting period

During the financial period under review, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the accounting period beginning on 1 November 2023. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the accounting policies as these do not impact the Company.

- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17
- Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules

The changes resulting from the above standards, interpretations and amendments do not have an impact on the interim condensed financial statements of the Company.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – continued**4. APPLICATION OF NEW OR REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS - continued**

Standards, interpretations and amendments to published standards effective during the reporting period - continued

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies

The amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting disclosures. The amendments had no impact on the Company's interim condensed financial statements but will impact the annual financial statements. The amendments will impact the Company's disclosures of accounting policies but not the measurement, recognition or presentation of any items in the Company's annual financial statements.

Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand and entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments are not in scope for the Company as the Group is mainly incorporated and domiciled in Malta, thus the Group is not in scope of the Pillar Two model rules.

Standards, interpretations and amendment to published standards that are not yet effective

Up to the date of approval of these condensed interim financial statements, certain new standards, amendments and interpretations to existing standards have been published but which are not yet effective for the current reporting year and which the Company has not early adopted but plans to adopt upon their effective date.

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022) (effective for financial year beginning on or after 1 January 2024)
- Amendments to IAS 1 Presentation of Financial Statements:
 - Classification of Liabilities as Current or Non-current (issued on 23 January 2020)
 - Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and
 - Non-current Liabilities with Covenants (issued on 31 October 2022) (effective for financial year beginning on or after 1 January 2024)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – continued

4. APPLICATION OF NEW OR REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS - continued

Standards, interpretations and amendments to published standards that are not yet effective - continued

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023) (effective for financial year beginning on or after 1 January 2024)

New and amended standards – not endorsed and not yet effective:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability) (issued on 15 August 2023)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)
- Amended to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024)

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

On 30 April 2024 and 31 October 2023, the carrying amounts of cash at bank, receivables, and payables approximated their fair values due to the nature or short-term maturity of these instruments.

The fair values of the non-current interest-bearing loans receivable and the debt securities in issue are as disclosed below:

		Carrying amount	Fair value
Loans receivable (Note 6)	30 April 2024	12,496,627	11,836,505
	31 October 2023	12,496,627	12,058,602
Debt securities in issue (Note 9)	30 April 2024	12,649,930	12,405,750
	31 October 2023	12,636,583	12,367,500

The current market interest rates utilised for discounting purposes, are almost equivalent to the respective instruments' contractual interest rates. These interest rates are deemed observable and accordingly the fair value estimates of the loans receivable have been categorised as Level 2 within the fair value measurement hierarchy required by IFRS 13: Fair Value Measurement.

The fair value estimate of the debt securities in issue is deemed Level 1 as it constitutes a quoted price in an active market.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - continued
6. LOANS RECEIVABLE

	30 April 2024	31 October 2023
	€	€
	(unaudited)	(audited)
Loans to fellow subsidiaries	12,496,627	12,496,627

The proceeds from the debt securities in issue (Note 9) have been advanced by the Company to Roosendaal Hotels Limited, Roosendaal Trading Limited and Bortex Clothing Industry Company Limited (fellow subsidiaries forming part of the Bortex Group). As noted in the prospectus dated 30 October 2017, the Bortex Group is utilising these proceeds to invest in each of the following projects: (i) refurbishment and extension of the newly branded Hotel 1926 Le Soleil in Sliema, Malta; (ii) international retail expansion strategy, particularly via the opening of Gagliardi retail outlets overseas; (iii) development of a mixed-use complex in Mriehel, Malta; (iv) redevelopment of the Group's existing retail outlet in Mosta, Malta; and (v) refurbishment of 1926 Le Parisot in Valletta, Malta.

As at 30 April 2024, loans are subject to interest at a rate of 4.5% (2023: 4.5%), unsecured and repayable by not later than 1 December 2027. Interest is paid annually on 1 December.

On 31 October 2023, management has completed an analysis which considers both historical and forward-looking qualitative and quantitative information, to determine if the loan receivables and accrued interest receivable have low credit risk. In this analysis, management also consider factors that would demonstrate whether credit risk on the loan receivable has increased significantly since initial recognition.

Management has updated the cash flow forecasts for the coming 14-month period (covering up to June 2025) and expects that the related parties to whom the Company has granted the loans will have sufficient cash throughout that period to meet all of their working capital and other obligations, including repayment of the interest on the loan receivable. Management does not expect there to be adverse changes in economic and business conditions over the same period which would reduce the ability of these related parties to repay the loan receivable.

Consequently, management has determined that there are no indications that credit risk has increased from initial recognition or is expected to increase significantly in the next 12 months. Thus, loans receivable are low credit risk and the loan receivable falls within 'stage 1' of IFRS 9's impairment model and 12-month expected credit losses can be calculated.

Since the Group is not credit-rated, management has decided to use the probability of default ('PD') for lowest rating for an investment grade loan to assess whether a material impairment provision is required for the loan receivables and other related party transactions. Management used the 12-month PDs published by S&P Global rating for a BBB- loan being 0.21% (2023: 0.22%).

Assuming a loss given default ('LGD') of 100% (that is, there are no collateral or other credit enhancement supporting the loan), applying this to the loans would result to an immaterial amount.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - continued
7. RECEIVABLES

	30 April 2024	31 October 2023
	€	€
	(unaudited)	(audited)
Current		
Accrued interest income on loans to fellow subsidiaries (Note 6)	234,312	515,486
Prepaid expenses	6,092	5,265
	240,404	520,751

8. CASH AT BANK

For the purposes of the statement of cash flows, cash comprise the following:

	30 April 2024	31 October 2023
	€	€
	(unaudited)	(audited)
Cash at bank	412,370	362,694

9. DEBT SECURITIES IN ISSUE

	30 April 2024	31 October 2023
	€	€
	(unaudited)	(audited)
Non-current		
127,500 3.75% Bonds 2027	12,649,930	12,636,583
Current		
Accrued interest	208,755	445,973

By virtue of an offering memorandum dated 30 October 2017, the Company issued €12,750,000 bonds with a face value of €100 each. The bonds have a coupon interest of 3.75% which is payable annually in arrears on 1 December of each year. The bonds are redeemable at par and are due for redemption on 1 December 2027, unless they are previously re-purchased and cancelled.

The bonds are guaranteed by Bortex Group Holdings Company Limited, which has bound itself jointly and severally liable with the Company, as issuer of the bonds, for the repayment of the bonds and interest thereon, pursuant to and subject to the terms and conditions in the prospectus.

The bonds were admitted on the Official List of the Malta Stock Exchange on 4 December 2017. The quoted market price for the bonds as at 30 April 2024 was €97 (31 October 2023: €97). The fair value of the bond and its carrying amount is disclosed in Note 5.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - continued
9. DEBT SECURITIES IN ISSUE - continued

As at 30 April 2024, bonds having a face value of €334,000 (31 October 2023: €334,000) were held by the Company's directors and key management personnel.

In accordance with the provision of the prospectus, the proceeds from the bond issue have been advanced by the Company to related parties (Note 6).

The bonds are at the amount of the net proceeds adjusted for the amortisation of the difference between the net proceeds and the redemption value of such bonds, using the effective interest method as follows:

	30 April 2024	31 October 2023
	€	€
	(unaudited)	(audited)
Original face value of bonds issued	12,750,000	12,750,000
Bond issue costs	253,373	253,373
Accumulated amortisation	(153,303)	(139,956)
Closing net book amount of bond issue costs	100,070	113,417
Closing carrying amount of the bonds	12,649,930	12,636,583

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - continued
10. RELATED PARTIES

The immediate and ultimate parent company of Bortex Group Finance plc is Bortex Group Holdings Company Limited, a company registered in Malta, with its registered address at 'St. Therese', Hughes Hallet Street, Sliema. Bortex Group Holdings Company Limited and its subsidiaries constitute the Bortex Group. The entities consisting of the Bortex Group are ultimately fully owned by Mr Peter Paul Borg and Ms Karen Borg. Accordingly, companies which are ultimately owned and controlled by these individuals are considered to be related parties to the Bortex Group.

The Company's related parties include the ultimate beneficial owners, and all other parties forming part of the Bortex Group and key management personnel. Details of transactions between the Company and its other related parties are disclosed below.

Transactions with other related parties

During the period ended 30 April 2024 and 2023, the Company entered into the following transactions:

	For the six months ended 30 April	
	2024	2023
	€	€
	(unaudited)	(unaudited)
Transactions with other related parties		
Interest income	281,174	281,174
Recharges of salaries	(3,926)	(3,900)

Transactions with key management personnel

During the period ended 30 April 2024, the Group made transactions with key management personnel as disclosed below.

	30 April	
	2024	2023
	€	€
	(unaudited)	(unaudited)
Directors' fees	9,000	6,600

As at 30 April 2024, securities debt in issue having a face value of €334,000 (2023: €334,000) were held by the Company's directors and key management personnel.

Related party balances

As at 30 April 2024, the Company had outstanding balances with related parties. The amounts are disclosed in Notes 6 and 7 to these condensed interim financial statements. The terms and conditions in respect of these balances are disclosed in respective notes.

Report on Review of Interim Condensed Financial Information

To the Directors of Bortex Group Finance p.l.c.

Introduction

We have reviewed the accompanying interim condensed financial statements of Bortex Group Finance p.l.c. ('the Company'), which comprise the interim condensed statement of financial position as at 30 April 2024 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes ('the interim financial information').

The Directors are responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34, *Interim Financial Reporting*). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report has been prepared for and only for the Company for the purpose of the Capital Markets Rules issued by the Malta Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.



The partner in charge of the review resulting in this report is
Christopher Portelli for and on behalf of

Ernst & Young Malta Limited
Certified Public Accountants
28 June 2024