



CF ESTATES FINANCE p.l.c.

CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta
Co. Reg. No. C102839

COMPANY ANNOUNCEMENT

Approval of Company's Interim Financial Statements

The Board of Directors of CF Estates Finance p.l.c. (the "Company") met on Tuesday 30 July 2024, and approved the unaudited interim financial statements of the Company for the period ended 30 June 2024.

A copy of the financial statements is attached herewith and these are also available for viewing on the Company's website: <https://cf.com.mt/>

By order of the Board

A handwritten signature in blue ink, appearing to read 'Joseph Saliba', is written over a light blue rectangular background.

Joseph Saliba

Company Secretary

30th July 2024

Directors

Joseph Portelli

Mario Vella

Peter Portelli

Stephen Muscat

CF Estates Finance p.l.c.

Interim Condensed Report & Financial
Statements

For the six months period ended 30
June 2024

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General information

Registration

CF Estates Finance p.l.c. is registered in Malta as a limited liability company under the Companies Act, (Cap 386) with registration number C 102839.

Directors

Francis Agius
Stephen Muscat
Joseph Portelli
Peter Portelli
Mario Vella

Company secretary

Joseph Saliba

Registered office

CF Business Centre, Level 1
Triq Gort, Paceville
San Giljan, STJ 9023
Malta

Bankers

MeDirect Bank (Malta) Plc
The Centre, Tigne Point
Sliema TPO 0001
Malta

Legal advisor

Saliba Stafrace Legal
9/4, Britannia House
Old Bakery Street
Valletta VLT 1450
Malta

Auditor

Grant Thornton
Fort Business Centre
Triq L-Intornjatur, Zone 1
Central Business District
Birkirkara CBD 1050
Malta

Directors' interim report

Pursuant to Listing Rules 5.75.2

The directors present their interim report together with the unaudited interim financial statements for the six months period 30 June 2024.

Principal activities

The principal activities of the Company is to act as a finance and investment vehicle for CF Estates Ltd., (the "Guarantor" and "Parent Company") and related Group companies, namely CF Business Centre Ltd, Mistral Hotel Ltd, Ratcon Ltd, Finish Furnish Limited, CF Homes Ltd, CF Hotels Ltd, CF Contracting Ltd and CF Leisure Ltd.

On 6 January 2023, the Company issued € 30,000,000 5% Secured Bonds maturing in 2033 at a nominal value of € 100 per bond. The bond was admitted to the official list of the Malta Stock Exchange with effect from 13 January 2023 and trading of these bonds commenced on 16 January 2023.

In accordance with the provisions of the Prospectus dated 28 November 2022, the proceeds from the bond issue have been advanced by way of a loan facility to the Guarantor and Parent Company, for the purpose of financing part of the development costs in respect of the real estate developments undertaken by one of its subsidiaries, CF Homes Ltd, refinancing existing bank loans of the hotels undertaken by two of its subsidiaries, Ratcon Ltd and Mistral Hotel Ltd, refinancing of existing bank loans pertaining to the office block owned by another subsidiary, CF Business Centre Ltd, and for general corporate funding purposes of the Group.

Review of business

During the period under review, interest income on loans receivable from the Parent Company amounted to € 871,627. After accounting for interest payable on the Company's borrowings and administrative costs, the Company registered a profit before taxation amounting to € 45,827. The Company's financial position is dependent on the Parent Company's ongoing obligation to pay the annual interest on the loan granted, which serve as the primary income to pay out the annual interest on the public Bonds, as well as in future years, in paying back the principal on maturity of the loans, which proceeds will be used to repay the Bonds to the bondholders. The Guarantor offers the maximum support to the Company through the strength of its statement of financial position. The Company's statement of financial position is primarily made up of the bond issue and corresponding loan to the Guarantor amounting to € 29,295,000. The company's equity as at the end of the interim financial period amounted to € 202,559.

Group companies

As at 30 June 2024, the Company is a subsidiary of CF Estates Ltd. (the "Parent Company" and the "Guarantor") and which company also held CF Business Centre Ltd, Mistral Hotel Ltd, Ratcon Ltd, Finish Furnish Limited, CF Homes Ltd, CF Hotels Ltd, CF Contracting Ltd and CF Leisure Ltd, as other fully owned subsidiaries.

Results

The results for the period and the movement on the reserves are as set out on pages 6 and 9 of the interim financial statements, respectively. No dividends were recommended or paid during the period.

Directors

The following have served as directors of the company during the period under review:

Francis Agius
Stephen Muscat
Joseph Portelli
Peter Portelli
Mario Vella

In accordance with the Company's Articles of Association, the directors at date of this report offer themselves for re-election.

Guarantor and Group's performance for the period ended 30 June 2024

On 6 January 2023, the Company issued € 30,000,000 5% Secured Bonds redeemable in 2033. The proceeds were used to finance part of the development costs in respect of the real estate developments undertaken by one of its subsidiaries, CF Homes Ltd, refinancing existing bank loans of the hotels undertaken by two of its subsidiaries, Ratcon Ltd and Mistral Hotel Ltd, refinancing of existing bank loans pertaining to the office block owned by another subsidiary, CF Business Centre Ltd, and for general corporate funding purposes of the Group. On 6 January 2024, the first bond interest payment was made to the bondholders.

Hospitality

Mistral hotel operated for the full operating period. Scirocco hotel started operating in March 2024 and the Levante hotel has opened this month.

Property development

Property development during the period under review continued at a steady pace. All the projects which benefited from use of bond proceeds are still ongoing.

Operations

The Group is also involved in the retail business of import and sales of tiles, bathrooms, and furniture through Finish Furnish Limited. In view of the results of Finish Furnish Limited for the period under review, the directors will be assessing its operations.

In order to expand and diversify the Group's operations, the Guarantor set up a new subsidiary company, CF Leisure Ltd, to operate an entertainment arena within the Mercury Tower Project, through rental agreement signed with Mercury Commercial Mall Ltd. The entertainment arena started operating on 15 February 2024.

Post-reporting date events

The directors have evaluated other subsequent events since 30 June 2024 up to the date of approval of these interim financial statements and concluded that there were no other subsequent events which require disclosure in the interim financial statements.

Statement of directors' responsibilities

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to prepare financial statements for each financial period which give a true and fair view of the financial position of the Company as at the end of the financial period and of the profit or loss of the Company for that period in accordance with the requirements of International Financial Reporting Standards as adopted by the EU.

This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Preparation of the interim financial statements

This report is being published in terms of the Listing Rule 5.75.2 of the Listing Rules issued by the Listing Authority and has been prepared in accordance with the applicable listing Rules and International Accounting Standard 34 – Interim Financial Reporting. This half-yearly report comprises the reviewed (but not audited) interim financial statements. These financial statements have been reviewed in accordance with the requirements of ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. The comparative statement of financial position had been extracted from the audited financial statements for the period ended 31 December 2023.

Going concern statement

After making enquires, the directors, at the time of approving the interim financial statements, have determined that it is reasonable to assume that the Company has adequate resources to continue operating for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.



Francis Agius
Director



Joseph Portelli
Director

Registered address:

CF Business Centre, Level 1
Triq Gort, Paceville
San Giljan, STJ 9023
Malta

30 July 2024

Condensed statement of comprehensive income

	Notes	2024 6 months (unaudited) €	2023 6 months (unaudited) €
Finance income	5	872,760	866,142
Finance costs	6	(759,318)	(830,503)
Net finance income		113,442	35,639
Administrative expenses		(67,615)	(41,128)
Profit / (loss) before tax	7	45,827	(5,489)
Tax expense	9	-	-
Profit / (loss) for the period		45,827	(5,489)
Total comprehensive profit / (loss) for the period		45,827	(5,489)

The notes on pages 11 to 18 form an integral part of these interim financial statements.

Condensed statement of financial position


	Notes	30 June 2024 (unaudited) €	31 December 2023 (audited) €
Assets			
Non-current			
Loan receivable	10	29,295,000	29,295,000
		<u>29,295,000</u>	<u>29,295,000</u>
Current			
Receivables	11	2,687,571	1,815,944
Cash and cash equivalents	12	4,713	1,507,488
		<u>2,692,284</u>	<u>3,323,432</u>
Total assets		<u>31,987,284</u>	<u>32,618,432</u>

Condensed statement of financial position - continued

	Notes	30 June 2024 (unaudited) €	31 December 2023 (audited) €
Equity			
Share capital	13	250,000	250,000
Accumulated losses		(47,441)	(93,268)
Total equity		202,559	156,732
Liabilities			
Non-current			
Borrowings	14	29,453,697	29,442,324
		29,453,697	29,442,324
Current			
Payables	15	2,331,028	3,019,376
		2,331,028	3,019,376
Total liabilities		31,784,725	32,461,700
Total equity and liabilities		31,987,284	32,618,432

The notes on pages 11 to 18 form an integral part of these interim financial statements.

The interim financial statements on pages 6 to 18 were approved by the board of directors, authorised for issue on 30 July 2024 and signed on its behalf by:


Francis Agius
Director


Joseph Portelli
Director

Condensed statement of changes in equity

	Share capital €	Accumulated losses €	Total equity €
Balance as at 1 January 2024	250,000	(93,268)	156,732
Total comprehensive income for the period			
<i>Profit for the period</i>	-	45,827	45,827
Balance at 30 June 2024 (unaudited)	<u>250,000</u>	<u>(47,441)</u>	<u>202,559</u>
Balance at 26 July 2022			
<i>Issuance of share capital</i>	250,000	-	250,000
Total comprehensive income for the period			
<i>Loss for the period</i>	-	(93,268)	(93,268)
Balance at 31 December 2023 (audited)	<u>250,000</u>	<u>(93,268)</u>	<u>156,732</u>

The notes on pages 11 to 18 form an integral part of these interim financial statements.

Condensed statement of cash flows

	Notes	2024 6 months (unaudited) €	31 December 2023 (audited) €
Cash flows from operating activities			
Profit / (loss) before tax		45,827	(58,398)
<i>Adjustments for:</i>			
Finance income	5	(872,760)	(1,779,352)
Interest expense on borrowings	6	747,945	1,511,671
Amortisation of bond issue costs	6	11,373	61,964
Gain on extinguishment of loan receivable		-	(72,781)
Loss on early redemptions of secured notes - 2023		-	35,192
Operating loss before working capital changes		(67,615)	(301,704)
<i>Working capital changes:</i>			
Movement in receivables		1,133	36,189
Movement in payables		63,707	1,542,643
Net cash flows (used in)/generated from operating activities		(2,775)	1,277,128
Cash flow from investing activity			
Loan advanced to parent company		-	(29,295,000)
Net cash flow used in investing activity		-	(29,295,000)
Cash flows from financing activities			
Issuance of share capital		-	250,000
Proceeds from issuance of secured notes – 2023		-	3,500,000
Payments for redemption of secured notes - 2023		-	(3,605,000)
Proceeds from issuance of secured bonds – 2033		-	30,000,000
Payments of bond issue cost		-	(619,640)
Interest payments for secured bonds – 2023		(1,500,000)	-
Net cash (used in)/generated from financing activities		(1,500,000)	29,525,360
Net movement in cash and cash equivalents		(1,502,775)	1,507,488
Cash and cash equivalents at beginning of the period		1,507,488	-
Cash and cash equivalents at end of the period	12	4,713	1,507,488

The notes on pages 11 to 18 form an integral part of these interim financial statements.

Notes to the interim condensed financial statements

1 Nature of operations

The principal activity of CF Estates Finance p.l.c. (the “Company”) is to act as a finance and investment vehicle for CF Estates Ltd., (the “Guarantor” and “Parent Company”) and related Group companies, namely CF Business Centre Ltd, Mistral Hotel Ltd, Ratcon Ltd, Finish Furnish Limited, CF Homes Ltd, CF Hotels Ltd, CF Contracting Ltd and CF Leisure Ltd.

2 General information and statement of compliance with International Financial Reporting Standards (IFRSs)

CF Estates Finance p.l.c., a public limited liability company, is incorporated and domiciled in Malta. The address of the Company’s registered office, which is also its principal place of business, is CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta.

The interim financial statements of the Company have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU), applicable to interim financial reporting in accordance with International Accounting Standard 34, Interim Financial Reporting. They do not include all the information required in annual financial statements in accordance with the IFRSs, and should be read in conjunction with the financial statements for the period ended 31 December 2023.

The financial statements are presented in euro (€), which is also the Company’s functional currency. The amounts presented in the interim financial statements have been rounded to the nearest euro.

3 New or revised standards or interpretations

3.1 New standards adopted as at 1 January 2024

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the Company’s financial results or position.

Other standards and amendments that are effective for the first time in 2024 are:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)

These amendments do not have a significant impact on these interim financial statements and therefore no additional disclosures have been made.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by 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 not adopted in the current period have not been disclosed as they are not expected to have a material impact on the Company's interim financial statements.

4 Material accounting policies

The interim financial statements have been prepared in accordance with the material accounting policies adopted in the Company's most recent annual financial statements for the period ended 31 December 2023.

5 Finance income

	2024 6 months (unaudited) €	2023 6 months (unaudited) €
Interest income on Parent Company loan	871,627	866,142
Interest income on fixed term deposit	1,133	-
	<u>872,760</u>	<u>866,142</u>

6 Finance costs

	2024 6 months (unaudited) €	2023 6 months (unaudited) €
Interest payable on borrowings	747,945	799,521
Amortisation of bond issue cost	11,373	30,982
	<u>759,318</u>	<u>830,503</u>

7 Profit / (loss) before tax

The profit / (loss) before tax is stated after charging the following:

	2024 6 months (unaudited) €	2023 6 months (unaudited) €
Auditor's remuneration	4,500	4,250
Directors' remuneration	36,000	36,000
	<u>40,500</u>	<u>40,250</u>

8 Wages and salaries

Wages and salaries for the period consist of the following:

	2024 6 months (unaudited) €	2023 6 months (unaudited) €
Directors' remuneration	36,000	36,000
Salaries recharged from related parties	2,751	-
	<u>38,751</u>	<u>36,000</u>

9 Tax expense

The relationship between the expected tax expense based on the effective tax rate of the Company at 35% and the actual tax expense recognised in the statement of comprehensive income can be reconciled as follows:

	2024 6 months (unaudited) €	2023 6 months (unaudited) €
Profit (loss) before tax	45,827	(5,489)
Tax rate	35%	35%
Expected tax (expense) / income	<u>(16,039)</u>	<u>1,921</u>
Adjustments for the tax effects of:		
Deferred tax not recognised	16,039	(1,921)
Actual tax expense	<u>-</u>	<u>-</u>

10 Loan receivable

	30 June 2024 (unaudited) €	31 December 2023 (audited) €
Non-current:		
Loan advanced to Parent Company	<u>29,295,000</u>	<u>29,295,000</u>

The loan advanced to Parent Company amounting to € 29,295,000 is subject to an annual interest rate of 6% which has no fixed date of repayment.

The carrying value of the loan advanced classified as interest bearing receivables and measured at amortised cost, approximates the fair value.

No provision for expected credit losses was made in the interim financial statements as all loans are secured over immovable property held by the Guarantor, CF Estates Ltd. and the related companies, CF Business Centre, Mistral Hotel Ltd, Ratcon Ltd, CF Homes Ltd and CF Hotels Ltd. The directors have therefore assessed that the probability of default and loss given default are non-existent.

11 Receivables

	30 June 2024 (unaudited) €	31 December 2023 (audited) €
Accrued interest on loans receivable from Parent Company	2,581,171	1,709,544
Amounts due from Parent Company	106,400	106,400
	<u>2,687,571</u>	<u>1,815,944</u>

The accrued interest on loans receivable due from the Guarantor and Parent company are due for payment on the anniversary of the date when the loans were advanced by the Company, with terms and conditions listed in the Offering Memorandum.

The amount due from the Parent company is unsecured, interest-free and is repayable on demand.

The Company's exposure to credit risk related to these receivables is disclosed in note 18.1. No provision for expected credit losses was considered necessary on the above balance due from the Parent Company, as the Parent Company is acting as Guarantor and is financially solid. The directors have therefore assessed that the probability of default and loss given default are non-existent.

12 Cash and cash equivalents

Cash and cash equivalents include the following components:

	30 June 2024 (unaudited) €	31 December 2023 (audited) €
Cash at bank	4,713	7,488
Short-term investment	-	1,500,000
Cash and cash equivalents	<u>4,713</u>	<u>1,507,488</u>

The Company did not have any restrictions on its cash and cash equivalents at the reporting date.

13 Share capital

The share capital of CF Estates Finance p.l.c. consists of ordinary A and B shares with a par value of € 1 each. The ordinary 'A' shares shall be entitled to one (1) vote at the general meeting for every share owned to dividends distributed by the Company and to any surplus assets of the Company upon liquidation. The ordinary 'B' share shall not be entitled to vote at the general meeting, shall not be entitled to any dividends distributed by the Company and shall not be entitled to any surplus assets of the Company upon liquidation.

	30 June 2024 (unaudited) €	31 December 2023 (audited) €
Shares authorised, issued and fully paid at 31 December		
249,999 ordinary A shares of € 1 each	249,999	249,999
1 ordinary B share of € 1 each	1	1
	<u>250,000</u>	<u>250,000</u>

14 Borrowings

	30 June 2024 (unaudited) €	31 December 2023 (audited) €
Non-current:		
Secured notes – 2023	-	3,500,000
Secured bonds – 2033	30,000,000	30,000,000
Redemption of secured notes – 2023	-	(3,500,000)
Capitalisation of bond issue costs	(619,640)	(619,640)
Amortisation of bond issue costs	73,337	61,964
	29,453,697	29,442,324

On 22 August 2022, the Company issued € 3,500,000 Secured Notes maturing in 2023. These Secured Notes were issued at a nominal value of € 100 per note and at a redemption value of € 103 per note.

In accordance with the provisions of the Offering Memorandum dated 22 August 2022, the proceeds from the note issue have been advanced by way of a loan facility to the Guarantor and Parent Company, for the purpose of financing part of the development costs in respect of the real estate developments undertaken by one of its subsidiaries, CF Homes Ltd, and for the general corporate funding purposes of the Group.

On 6 January 2023, Malta Financial Services Authority (“MFSA”) approved the issuance of a further € 30,000,000 Secured Bonds maturing in 2033 with a nominal value of € 100 per bond, issued at par, and with an annual interest of 5% per annum.

On 11 January 2023, the Company received the proceeds of the bonds amounting to € 25,996,261, net of sales commissions and other expenses paid in relation to issuance of bonds and early redemptions of the Secured Notes amounting to € 398,739 and € 3,605,000, respectively. The proceeds of the Bonds were used to provide a loan facility to the Guarantor and Parent Company (the “Issuer-Guarantor Loan”).

In turn, the Issuer-Guarantor Loan was used by the Group for the following purposes:

- Conversion of Existing Secured Notes into Bonds
- Re-financing of Relevant Bank Loans
- Re-financing of outstanding indebtedness under the loan agreement between the Issuer and the Guarantor dated 31 August 2022
- Development costs of the Hotels
- Development costs of certain residential projects
- General corporate funding

On 1 February 2023, the Company executed a loan termination agreement. The indebtedness of the Guarantor towards its Secured Notes was fully replaced by the indebtedness of €3,605,000 forming part of the Issuer-Guarantor Loan (as defined in the Bond Prospectus) granted by the Lender to the Borrower under the Deed of Hypothec out of the proceeds of the issue of the Listed Bonds and that the Borrower does not owe any further amounts to the Lender under the said Secured Notes Proceeds Loan Agreement.

The first bond interest payment was made on 6 January 2024.

15 Payables

	30 June 2024 (unaudited) €	31 December 2023 (audited) €
Accrued interest on borrowings	728,885	1,479,452
Amounts due to related parties	1,596,877	1,532,074
Accrued expenses	5,266	7,850
	2,331,028	3,019,376

The carrying value of payables classified as financial liabilities measured at amortised cost approximates fair value.

The amounts due to related parties is unsecured, interest-free and is repayable on demand.

16 Dividends

No dividends were recommended or paid during the period. The directors do not recommend the distribution of any final dividends.

17 Related party disclosures

The Company's related parties include the shareholders, and the parent company and its subsidiary companies. In addition, related parties also include its key management personnel, ultimate beneficial owners and other companies under common control.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Transactions with related parties are generally effected on a cost-plus basis. Outstanding balances are usually settled in cash.

The Company is a subsidiary of CF Estates Ltd. (the "Parent Company") whose registered office is at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta.

CF Estates Ltd. is in turn fully-owned by Joseph Portelli, Francis Agius, Clifton Cassar, Duncan Micallef and Stephen Falzon.

Amounts due from and to related parties are disclosed in notes 10, 11 and 15. Transactions with related parties for the period are as follows:

	30 June 2024 (unaudited) €	30 June 2023 (unaudited) €
Salaries recharged from related parties	(2,751)	-
Management fees charged by the Parent Company	(19,051)	-
Interest income on Parent Company loan	871,627	866,142

18 Financial instrument risks

Risk management objectives and policies

The Company is exposed to credit risk, liquidity risk and market risk through its use of financial instruments which result from both its operating, investing and financing activities. The Company's risk management is coordinated by the directors and focuses on actively securing the Company's short to medium term cash flows

by minimising the exposure to financial risks.

The Company does not actively engage in the trading of financial assets for speculative purposes, nor does it write options.

The most significant financial risks to which the Company is exposed are described below. See also note 18.4 for a summary of the Company's financial assets and financial liabilities by category.

18.1 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables, placing deposits, etc.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	30 June 2024 (unaudited) €	31 December 2023 (audited) €
Classes of financial assets – carrying amounts		
Financial assets at amortised cost:		
- Loan receivable	29,295,000	29,295,000
- Receivables	2,687,571	1,815,944
- Cash and cash equivalents	4,713	1,507,488
	<u>31,987,284</u>	<u>32,618,432</u>

The Company continuously monitors defaults of counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

Credit risk with respect to receivables is internally contained as the receivable is due from the Company's related parties with no past default experience and is considered a creditworthy counterparty. In view of this, management considers that the receivable from related parties is fully recoverable and not impaired.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. None of the Company's financial assets is secured by collateral or other credit enhancements.

The credit risk for liquid funds is considered negligible since the counterparty is a reputable bank with high quality external credit ratings.

18.2 Liquidity risk

The Company's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise payables and borrowings (see notes 15 and 14). Prudent liquidity risk management includes maintaining sufficient cash and by monitoring the availability of an adequate amount of funding from its related companies to meet the company's obligations when they become due.

18.3 Market risk

Foreign currency risk

The Company transacts business mainly in Euro and had no foreign currency denominated financial assets and liabilities at the end of the financial reporting period under review. Consequently, the Company is not exposed to foreign currency risk.

18.4 Categories of financial assets and financial liabilities

The carrying amounts of the Company's financial assets and liabilities as recognised at the end of the reporting period under review may also be categorised as follows.

	Notes	30 June 2024 (unaudited) €	31 December 2023 (audited) €
Current assets			
Financial assets at amortised cost:			
- Loan receivable	10	29,295,000	29,295,000
- Receivables	11	2,687,571	1,815,944
- Cash and cash equivalents	12	4,713	1,507,488
		<u>31,987,284</u>	<u>32,618,432</u>
Non-current liabilities			
Financial liabilities at amortised cost:			
Borrowings	14	29,453,697	29,442,324
		<u>29,453,697</u>	<u>29,442,324</u>
Current liabilities			
Financial liabilities at amortised cost:			
Payables	15	2,331,028	3,019,376
		<u>2,331,028</u>	<u>3,019,376</u>

19 Capital management policies and procedures

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders and benefits to other stakeholders by maintaining an optimal capital structure to reduce the cost of capital.

The Company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of items presented within equity in the statement of financial position. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid, issue new shares or sell assets to reduce debt.

20 Post-reporting date events

The directors have evaluated events subsequent to 30 June 2024 up to the date of approval of these interim financial statements and concluded that there were no other subsequent events which require disclosure in the interim financial statements.

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Report on review of interim condensed financial statements

To the Board of Directors of CF Estates Finance p.l.c.

Introduction

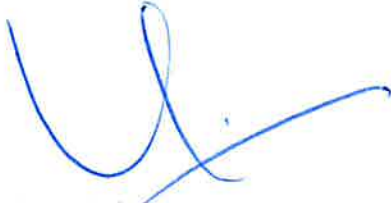
We have reviewed the accompanying statement of financial position of CF Estates Finance p.l.c. (the “company”) as at 30 June 2024, and the related condensed statement of comprehensive income, condensed statement of changes in equity, condensed statement of cash flows for the six-month period then ended, and selected explanatory notes (the “interim financial information”). The directors are responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) applicable to interim financial reporting (International Accounting Standard 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 (ISRE) 2410 (Revised), *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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of CF Estates Finance p.l.c. as at 30 June 2024 and of its financial performance and cash flows for the period then ended in accordance with International Accounting Standard 34 – Interim financial reporting.



Mark Bugeja (Partner) for and on behalf of

GRANT THORNTON
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30 July 2024