



COMPANY ANNOUNCEMENT

TUM FINANCE P.L.C.

Approval of unaudited interim financial statements

Date of Announcement	26 August 2023
Reference	27/2023
Capital Markets Rules	5.16.20

QUOTE

During the meeting of the Board of Directors of TUM Finance p.l.c. (the “Company”) held today 26 August, 2023, the Board of Directors of the Company approved the Company’s unaudited interim financial statements for the six-month period ended 30 June, 2023.

The interim financial statements are attached herewith and are also available for viewing on the website of the Company at <http://tumfinance.com/index.php/investor-relations/>.

UNQUOTE

By order of the Board.

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

Dr Malcolm Falzon
Company Secretary

Tum Finance plc

C91228

Unaudited Interim Condensed Consolidated Financial Statements

30 June 2023

Tum Finance plc

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Tum Finance plc

Interim Directors' report

Pursuant to Capital Markets Rules 5.75.2 for the period 1 January to 30 June 2023

The Board of Directors of Tum Finance p.l.c. (the "Company") submit their interim director's report, together with unaudited interim condensed financial statements of the Company (on a separate and consolidated basis) for the six-month period ended 30 June 2023.

Principal activity

The Company and its subsidiaries (the "Group") are involved in real estate development, investment and leasing in Malta. The Company holds investments in subsidiaries for capital growth and income generation. It also provides financing to companies forming part of the Group and to other related companies.

Performance review

The Company

The Company incurred a loss before tax of EUR27,919 (2022: EUR9,024). The Company is expected to generate additional revenue in the remaining six-month period of 2023 and report a profit for the year.

The Group

The Group interim condensed statement of profit or loss and other comprehensive income is set out on page 5. During the period, the Group generated a profit before tax of EUR423,321 (2022: EUR1,059,483).

Principal risks and uncertainties for the remaining six-month period ended 2023

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally other payables, and other financial liabilities. Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

Related party transactions

Related party transactions undertaken during the period are disclosed in Note 8.

Directors

The names of the Directors of the Company who held office during the year to date are:

Mr. Anthony Fenech
Mr. Matthew Fenech
Mr. Silvan Fenech
Dr. Stanley Portelli
Mr. Mario Vella
Mr. William Wait

In accordance with the Company's Memorandum and Articles of Association, the present Directors shall remain in office for a period of three (3) years from their date of appointment.

Dividends

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

Recent developments

During 2022, TUM Operations Ltd. ("TOL") entered into a joint venture with third parties unrelated to the Company. The principal activity of this joint venture is the development and operation of properties already owned by each of the joint venture parties as well as investment in further properties for the development and, or operation thereof. The company incorporated for the purpose of said joint venture bears the name 'BBT p.l.c.' with company registration number C 101666 ("BBT").

On 7 June 2023, TOL, BBT, and V&C Developments Limited entered into an agreement for TOL to exchange its 75% shareholding in its subsidiary Center Parc Holdings Ltd. ("CPHL") in return for the issue and allotment of 31.43% of the issued share capital of BBT (the "Transfer Agreement"). The shareholding allocated to TOL in BBT has been determined based on the fair market value attributed to the 75%

Tum Finance plc

Interim Directors' report – continued

shareholding in CPHL compared to the fair market value attributed to the assets contributed by the other shareholders in BBT.

The fair market value was established by professional valuers less EUR13,000,000 in liabilities of CPHL to TOL. The loan owed by CPHL to TOL was assumed by BBT. In terms of the Transfer Agreement, CPHL and BBT undertook in favour of TOL as follows: that BBT shall procure bank financing for the purposes of advancing a loan of EUR6,000,000 to CPHL, which amount CPHL authorised and instructed BBT to use for the purposes of paying TOL directly in part settlement of the loan owed by CPHL to it (the "TOL-CPHL Loan"). With respect of the outstanding balance of EUR7,000,000 due by CPHL in terms of the TOL-CPHL Loan, TOL has assigned such receivable to BBT for an equivalent consideration settled by way of issuance of further shares in BBT in favour of TOL.

Impact of the transaction

Until 7 June 2023, the date of the Transfer Agreement between TOL and BBT and V&C Developments Limited, CPHL was being accounted for by TOL as an investment in subsidiary at 75%. Upon consolidation at the level of TUM Finance plc "TUM Finance", the sole owner of TOL, TUM Finance consolidated its own assets and liabilities with the assets and liabilities of its subsidiaries, including CPHL, through TOL and recognized a non-controlling interest for the minority shareholders of TOL's partially owned subsidiaries.

Following the transaction, TOL disposed of CPHL and registered a gain of EUR3.1 million on disposal. At consolidation level, CPHL was previously accounted for as a subsidiary. Hence following disposal of CPHL, the assets and liabilities of CPHL, including the 25% share non-controlling interest, were excluded from the Group's consolidated accounts as at 30 June 2023. Instead, the 31.43% shareholding in BBT was accounted for as an investment in associate. As the value of CPHL's total assets as at 31 December, and thereafter excluded from the consolidation as at 30 June 2023, is more than the value of the investment in associate introduced as a result of the transaction, this contributed to the decrease in total assets of approximately EUR5.0 million between 31 December 2022 and 30 June 2023. Notwithstanding the aforesaid, total equity of the Group decreased by only approximately EUR 700,000.

This movement in total assets is not reflective of the Group's operations but is merely an impact of accounting entries. The Group remains strong in the development and operation of its property portfolio, and results generated.

Approved by the Board of Directors and signed on its behalf by:



SILVAN FENECH
Executive Director



ANTHONY FENECH
Executive Director

Date: 26 August 2023

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Directors' statement pursuant to Capital Markets Rule 5.75.3

We hereby confirm that to the best of our knowledge:

- a) The condensed half-yearly report, including the condensed interim financial statements (separate and consolidated) gives a true and fair view of the financial position of the Group and Company as at 30 June 2023, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34 *Interim Financial Reporting*);
- b) The Interim Directors' report includes a fair review of the information required in term of Capital Markets Rules 5.81 to 5.84.

Approved by the Board of Directors and signed on its behalf by:



SILVAN FENECH
Executive Director

Date: 26 August 2023



ANTHONY FENECH
Executive Director

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Interim condensed statements of profit or loss and other comprehensive income

For the period ended 30 June

	Notes	The Group		The Company	
		From 01/01/2023 to 30/06/2023 (unaudited) EUR	From 01/01/2022 to 30/06/2022 (unaudited) EUR	From 01/01/2023 to 30/06/2023 (unaudited) EUR	From 01/01/2022 to 30/06/2022 (unaudited) EUR
Revenue	3.8	931,225	1,799,362	206,563	206,563
Administrative and other operating expenses		(358,068)	(376,595)	(64,824)	(46,784)
Operating profit		573,157	1,422,767	141,739	159,779
Finance income	8	-	42,579	231,077	231,077
Finance costs		(424,720)	(405,185)	(400,735)	(399,880)
Gain on loan extinguishment	9	143,032	-	-	-
Share in profit/(loss) of associates	7	131,852	(678)	-	-
Profit/(loss) before tax		423,321	1,059,483	(27,919)	(9,024)
Income tax expense		(207,108)	(254,913)	51,194	44,831
Profit/(loss) for the period from continuing operations		216,213	804,570	23,275	35,807
Profit for the period from discontinued operations	9	3,648,000	-	-	-
Total profit/(loss) for the period		3,864,213	804,570	23,275	35,807
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		3,864,213	804,570	23,275	35,807
Attributable to:					
Equity holders of the company		3,795,357	692,506	23,275	35,807
Non-controlling interests		68,856	112,064	-	-
		3,864,213	804,570	23,275	35,807
Earnings per share (basic and diluted)		0.21	0.04	0.00	0.00

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Interim condensed statements of financial position

	Notes	The Group		The Company	
		As at 30/06/2023 (unaudited) EUR	As at 31/12/2022 (audited) EUR	As at 30/06/2023 (unaudited) EUR	As at 31/12/2022 (audited) EUR
ASSETS					
Non-current assets					
Investment property	4	30,382,670	65,406,424	-	-
Property, plant and equipment		347,666	117,844	-	-
Investment in subsidiary		-	-	20,074,623	20,074,623
Loans to related companies	5,8	-	-	19,409,226	16,994,889
Investment in associates	7	28,489,641	3,324,086	-	-
		<u>59,219,977</u>	<u>68,848,354</u>	<u>39,483,849</u>	<u>37,069,512</u>
Current assets					
Loans to related companies	5	-	-	1,157,795	1,611,111
Due from related parties		307,954	2,103,174	-	1,957,221
Trade and other receivables		671,051	282,500	-	3,540
Cash and cash equivalents		6,113,501	105,226	3,980	285
Tax recoverable		173,518	184,171	149,163	181,446
		<u>7,266,024</u>	<u>2,675,071</u>	<u>1,310,938</u>	<u>3,753,603</u>
TOTAL ASSETS		<u>66,486,001</u>	<u>71,523,425</u>	<u>40,794,787</u>	<u>40,823,115</u>

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Interim condensed statements of financial position – continued

	Notes	The Group		The Company	
		30/06/2023 (unaudited) EUR	31/12/2022 (audited) EUR	30/06/2023 (unaudited) EUR	31/12/2022 (audited) EUR
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		17,693,000	17,693,000	17,693,000	17,693,000
Retained earnings		17,779,043	13,983,686	493,528	470,253
Capital contribution	8	3,915,811	3,915,811	2,456,016	2,456,016
Other reserve		542,683	542,683	-	-
Equity attributable to the owners of the parent		39,930,537	36,135,180	20,642,544	20,619,269
Non-controlling interests		144,339	4,624,058	-	-
Total equity		40,074,876	40,759,238	20,642,544	20,619,269
Non-current liabilities					
Deferred tax liability		3,029,961	5,751,403	-	-
Lease liabilities		191,751	191,764	-	-
Debt securities in issue	6	19,700,221	19,658,405	19,700,221	19,658,405
		22,921,933	25,601,572	19,700,221	19,658,405
Current liabilities					
Loans from related parties	8	1,200,000	1,200,000	-	-
Trade and other payables		1,215,789	1,349,957	52,216	70,302
Debt securities in issue	6	52,460	439,732	52,460	439,732
Amounts due to related parties	8	454,096	1,268,247	347,346	35,407
Tax payable		566,847	904,679	-	-
		3,489,192	5,162,615	452,022	545,441
Total liabilities		26,411,125	30,764,187	20,152,243	20,203,846
TOTAL EQUITY AND LIABILITIES		66,486,001	71,523,425	40,794,787	40,823,115

These condensed interim financial statements (unaudited) on pages 5 to 21 were approved and authorised for issue by the directors, on 26 August 2023 and signed by:



SILVAN FENECH
 Executive Director



ANTHONY FENECH
 Executive Director

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Interim condensed consolidated statements of changes in equity - Group

For the period ended 30 June

	Share capital EUR	Retained earnings EUR	Other reserves EUR	Capital contribution EUR	Non- controlling interest EUR	Total EUR
Balance as at 1 January 2023	17,693,000	13,983,686	542,683	3,915,811	4,624,058	40,759,238
Profit for the year	-	3,795,357	-	-	68,856	3,864,213
Disposal of investment in subsidiary	-	-	-	-	(4,713,955)	(4,713,955)
Additional contribution	-	-	-	-	165,380	165,380
Balance as at 30 June 2023 (unaudited)	17,693,000	17,779,043	542,683	3,915,811	144,339	40,074,876
Balance as at 1 January 2022	17,693,000	12,795,885	542,683	2,456,016	3,909,378	37,396,962
Capital contribution	-	-	-	1,346,265	-	1,346,265
Total comprehensive income for the period	-	692,506	-	-	112,064	804,570
Balance as at 30 June 2022 (unaudited)	17,693,000	13,488,391	542,683	3,802,281	4,021,442	39,547,797
Balance as at 31 December 2022 (audited)	17,693,000	13,983,686	542,683	3,915,811	4,624,058	40,759,238

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Interim condensed statements of changes in equity - Company

For the period ended 30 June

	Share capital EUR	Retained earnings EUR	Capital contribution EUR	Total EUR
Balance as at 1 January 2023	17,693,000	470,253	2,456,016	20,619,269
Total comprehensive income for the period	-	23,275	-	23,275
Balance as at 30 June 2023 (unaudited)	17,693,000	493,528	2,456,016	20,642,544
Balance as at 1 January 2022	17,693,000	282,201	2,456,016	20,431,217
Total comprehensive income for the period	-	35,807	-	35,807
Balance as at 30 June 2022 (unaudited)	17,693,000	318,008	2,456,016	20,467,024
Balance as at 31 December 2022 (audited)	17,693,000	470,253	2,456,016	20,619,269

Tum Finance plc

Interim condensed statements of cash flows

For the period ended 30 June

	The Group		The Company	
	From 01/01/2023 to 30/06/2023 (unaudited) EUR	From 01/01/2022 to 30/06/2022 (unaudited) EUR	From 01/01/2023 to 30/06/2023 (unaudited) EUR	From 01/01/2022 to 30/06/2022 (unaudited) EUR
Cash flows from operating activities				
Profit/(loss) before tax	423,321	1,059,483	(27,919)	(9,024)
Adjustments for:				
Depreciation	17,355	19,385	-	-
Finance costs	424,720	405,185	400,735	399,880
Finance income	-	(42,579)	(231,077)	(231,077)
Dividend income	-	-	(119,063)	(119,063)
Share in profit/(loss) of associate	(131,852)	(678)	-	-
Gain on loan extinguishment	(143,032)	-	-	-
Other	(4,550)	-	-	-
Operating profit before working capital movement	585,962	1,440,796	22,676	40,716
Movement in trade and other receivables	(509,574)	150,854	3,540	-
Movement in due from related parties	1,795,220	643,418	2,529,600	(87,499)
Movement in trade and other payables	418,601	(34,837)	(18,086)	26,796
	2,290,209	2,200,231	2,537,730	(19,987)
Income taxes (paid)/refund	(47,307)	(113,247)	83,477	76,241
Net cash flows continuing operations	2,242,902	2,086,984	2,621,207	56,254
Net cash flows from discontinued operations	(485,586)	-	-	-
<i>Net cash flows from operating activities</i>	1,757,316	2,086,984	2,621,207	56,254
Cash flows (used in)/from investing activities				
Purchase of property, plant and equipment	(271,724)	(24,438)	-	-
Disposal/(purchase) of investment property	89,070	(172,964)	-	-
Acquisition of an associate	-	-	-	-
Proceeds from loan extinguishment	5,823,197	-	-	-
Loans repaid by related parties	-	-	(2,183,260)	636,600
Loans advanced to related parties	-	(540,000)	-	-
Advances (to)/from related parties	(619,396)	(1,200,000)	311,938	10,000
<i>Net cash flows (used in)/from investing activities</i>	5,021,147	(1,937,402)	(1,871,322)	646,600
Cash flows used in financing activities				
Repayment of lease liabilities	(23,998)	(2,305)	-	-
Bond interest paid	(746,190)	(702,819)	(746,190)	(702,819)
<i>Net cash flows used in financing activities</i>	(770,188)	(705,124)	(746,190)	(702,819)

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Interim condensed statements of cash flows – continued

For the period ended 30 June

	The Group		The Company	
	From 01/01/2023 to 30/06/2023 (unaudited) EUR	From 01/01/2022 to 30/06/2022 (unaudited) EUR	From 01/01/2023 to 30/06/2023 (unaudited) EUR	From 01/01/2022 to 30/06/2022 (unaudited) EUR
Net movement in cash and cash equivalents	6,008,275	(555,542)	3,695	35
Cash and cash equivalents at the beginning of the year	<u>105,226</u>	<u>615,611</u>	<u>285</u>	<u>7,202</u>
Cash and cash equivalents at the end of the year	<u>6,113,501</u>	<u>60,069</u>	<u>3,980</u>	<u>7,237</u>
Non-cash investment activities:				
Investment in associate	<u>7,000,000</u>	<u>1,978,690</u>	<u>-</u>	<u>-</u>
Dividend income	<u>-</u>	<u>-</u>	<u>119,063</u>	<u>119,063</u>

Tum Finance plc

Notes to the interim condensed financial statements

For the period ended 30 June 2023

1. Company's information and activities

Tum Finance plc is a public limited company registered in Malta under the Companies Act, (Cap. 386) with registration number C91228 (the "Company"). The registered office of the Company is at Tum Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi, QRM 9010, Malta.

The Company is 99.9 % owned subsidiary of Tum Invest Limited. The Company acts as an investment and holding company, whilst the Group is engaged in the investment, development and operation of immovable properties in Qormi, Malta. The Company also has an investment in BBT p.l.c. ("BBT"), a company incorporated for the development and operation of properties of its joint venture parties as well as for the investment in and operation of further properties.

2.1 Basis of preparation and statement of compliance

The interim condensed separate and consolidated financial statements for the six-month period ended 30 June 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union. The comparative amounts reflect the separate and consolidated position of the Company and Group as included in the audited financial statements for the year ended 31 December 2022 and the unaudited results for the period ended 30 June 2022, as applicable.

The interim condensed separate and consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

2.2 Going concern assumption

As at 30 June 2023, the Group's current assets exceeded current liabilities by EUR3,776,832 (31 December 2022: current liabilities exceeded current assets by EUR2,487,544).

The directors have assessed the appropriateness of the going concern basis by reviewing cash forecasts prepared by management. These projections indicate that the Group will have sufficient resources to meet its obligations as they fall due. The shareholders have furthermore confirmed their commitment to support the Group financially or otherwise should this be required.

At the time of approving these interim condensed financial statements, the Directors have determined that there is a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future and continue adopting the going concern basis in preparing the financial statements.

2.3. New standards, interpretations and amendments adopted by the Group and Company

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

There are no accounting pronouncements which have become effective from 1 January 2023 that have a significant impact on the interim condensed consolidated financial statements of the Group and the Company.

Other Standards and amendments that are effective for the first time in 2023 and could be applicable to the Group and the Company are:

IFRS 17 – Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation

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Notes to the interim condensed financial statements – continued

For the period ended 30 June 2023

2.3. New standards, interpretations and amendments adopted by the Group and Company - continued

features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach).
- A simplified approach (the premium allocation approach) mainly for short duration contracts.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Definition of Accounting Estimates – Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Disclosure of accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 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 policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial statements but are expected to affect the accounting policy disclosures in the Group's financial statements.

Deferred Tax Related to Assets and Liabilities arising from a Single Transaction – Amendments

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

IFRS 9 Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modifies financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. There is no similar amendment proposed for the IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the group as there were no modifications of the Group's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

Tum Finance plc

Notes to the interim condensed financial statements – continued

For the period ended 30 June 2023

2.3. New standards, interpretations and amendments adopted by the Group and Company - continued

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

At the date of authorisation of these interim condensed financial statements, certain new standards, amendments, and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the group and the company.

Management anticipates that all relevant pronouncements will be adopted in the Group and the Company's accounting policies for the first period beginning after the effective date of the pronouncement. No new standards, amendments and interpretations are expected to have a material impact on the Group and the Company's interim condensed financial statements.

3. Revenue

	The Group		The Company	
	From	From	From	From
	01/01/2023 to	01/01/2022 to	01/01/2023 to	01/01/2022 to
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	EUR	EUR	EUR	EUR
Rental income	925,814	1,642,367	-	-
Dividend income	-	-	119,063	119,063
Other income	5,411	156,995	87,500	87,500
	<u>931,225</u>	<u>1,799,362</u>	<u>206,563</u>	<u>206,563</u>

Management assesses the operations of the Group as one reporting segment on the basis that the Group has one line of activity based in one jurisdiction. Accordingly, no segment disclosures are being presented.

Tum Finance plc

Notes to the interim condensed financial statements – continued

For the period ended 30 June 2023

4. Investment property

	The Group	
	30/06/2023 (unaudited) EUR	31/12/2022 (audited) EUR
Opening balance	65,406,424	64,953,893
Additions from subsequent expenditure	-	452,531
Disposals	(89,070)	-
Disposal of subsidiary	(34,934,684)	-
Carrying amount at period-end	30,382,670	65,406,424

The Group continued development of its investment property during the year. Additions for the year consisted of modifications to current properties held. Included in the fair value of investment property is a right of use asset in respect of ground rents payable on the land over which the property is constructed. The remaining term of the lease is till 30 April 2138.

Investment property is revalued by professionally qualified architects or surveyors on the basis of assessments of the fair value of the property in accordance with international valuations standards and professional practice.

In the years where a valuation is not obtained, management verifies all major inputs to the independent valuation report, assesses any property valuation movements when compared to the prior year valuation report and holds discussions with the independent valuer, as necessary. The Group had a valuation performed on Easysell properties as at 31 December 2022, and on Center Parc properties for its subsequent disposal for the purpose of the transaction on 7 June 2023 as explained in detail on Note 9.

For property held, the current use equates to the highest and best use.

Rental income derived from the investment property during the period amounted to EUR925,814 (2022: EUR1,642,367).

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance, and enhancements.

The Group's property has been determined to fall within level 3 of the fair valuation hierarchy. Level 3 in the fair value hierarchy represents valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the period.

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Notes to the interim condensed financial statements – continued

For the period ended 30 June 2023

4. Investment property – continued

Description of valuation techniques used and key inputs to valuation of investment properties

The valuation was determined based on the income approach using the discounted cash flows (DCF) method whereby fair value is estimated using assumptions regarding the risks and benefits of ownership over the asset's life including a terminal value. This method involves the projection of cash flows to which a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. Rental values and rent growth rates have been determined based on contractual agreements currently in place and used as a benchmark for the calculation of the terminal value.

	Valuation technique	Significant unobservable inputs	Discount rate	Narrative sensitivity
Investment property	Income approach	Discount rate	6%	The higher the discount rate, the lower the fair value
		Rental value per square meter	EUR93-EUR166	The higher the price per square metre, the higher the fair value
		Rent growth per annum	2.9%-4.8%	The higher the rent growth, the higher the fair value

5. Loans to related companies

	The Group		The Company	
	30/06/2023 EUR	31/12/2022 EUR	30/06/2023 EUR	31/12/2022 EUR
Non-current:				
Loan receivable from subsidiary (Note i)	-	-	13,059,226	10,644,889
Cumulative redeemable preference shares (Note ii)	-	-	6,350,000	6,350,000
	<u>-</u>	<u>-</u>	<u>19,409,226</u>	<u>16,994,889</u>
Current:				
Loan receivable from subsidiary (Note i)	-	-	1,157,795	1,611,111
	<u>-</u>	<u>-</u>	<u>1,157,795</u>	<u>1,611,111</u>

- i. The amounts owed by subsidiary are unsecured and subject to interest rate of 3.75% per annum. EUR7,250,000 is repayable in nine equal instalments paid annually on the 20th June. The remaining portion is payable on 20 June 2029.
- ii. The preference shares are entitled to a fixed cumulative preferential dividend of 3.75%. The Company may redeem any or the whole of the outstanding preference shares at any time, but not later than 30 June 2029.

Tum Finance plc

Notes to the interim condensed financial statements – continued

For the period ended 30 June 2023

6. Debt securities in issue

	The Group and the Company	
	30/06/2023 (unaudited) EUR	31/12/2022 (audited) EUR
Non-current:		
3.75% Bonds redeemable	19,700,221	19,658,405
Current:		
3.75% Bonds redeemable	52,460	439,732

In 2019, the Company issued an aggregate principal amount of EUR20,000,000 bonds (2019 - 2029) (the 'Bonds'), having a nominal value of EUR100 each, bearing interest at the rate of 3.75% per annum. These bonds are secured by Easysell Limited (hereafter the "Guarantor"), a subsidiary of the Company. They are subject to the terms and conditions in the prospectus dated 3 June 2019. The quoted market price as at 30 June 2023 for the 3.75% Bonds was EUR94.00 (2022: EUR101.45).

The Guarantor provided a corporate guarantee in favour of the Company's bondholders to affect the due and punctual performance of all payment obligations undertaken by the Company under the Bonds if it fails to do so.

7. Investment in associates

In 2022, Tum Invest Limited, the ultimate parent Company, entered into various linked transactions ('restructuring'). The restructuring consisted of Tum Invest Limited contributing the shareholding in a number of associates to TOL via another related entity Tum Capital Limited, together with assignment of related party balances. The Group also co-invested in a number of newly set-up companies.

The restructuring involved the following transactions to date:

1. Contribution of MOSM Ltd, Missag Ltd, Regeneration Projects Ltd and BBT Logistics Limited, hereafter the 'merged entities'. In determining the value of the capital contribution, management has assessed the associates contributed, i.e. the merged entities as being a single entity in line with the planned subsequent steps in the restructuring which will see these entities being merged;
2. Incorporation of BBT;
3. Incorporation of BBTF Holdings Limited;
4. Contribution of Develeco Malta Limited; and
5. Disposal of shares in equity of CPHL and additional investment in BBT.

The Group's interest in these entities is accounted for using the equity method in the consolidated financial statements.

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Notes to the interim condensed financial statements – continued

For the period ended 30 June 2023

7. Investment in associates – continued

Details of each of the Group's associates at the end of June 2023 are as follows:

Name	Principal activity	Registered address	Equity interest (%) as at 30/06/2023	Associates contributed on/ acquired
MOSM Ltd (C 81391)	Financing Company	Marjo House, Burmarrad Road, Burmarrad, St. Paul's Bay, SPB 9060, Malta	25%	15-Jun-22
Missag Ltd (C 81451)	Financing Company	Marjo House, Burmarrad Road, Burmarrad, St. Paul's Bay, SPB 9060, Malta	25%	15-Jun-22
Regeneration Projects Ltd (C 79690)	Financing Company	Marjo House, Burmarrad Road, Burmarrad, St. Paul's Bay, SPB 9060, Malta	25%	15-Jun-22
BBT Logistics Limited (C 100580)	Property Developer	The Watercourse, Zone 2, Central Business District, Mdina Road, Birkirkara, CBD 2010	50%	15-Jun-22
BBT p.l.c. (C 101666)	Financing Company	The Watercourse, Zone 2, Central Business District, Mdina Road, Birkirkara, CBD 2010	31.43%	07-Apr-22
BBTF Holdings Limited (C 103180)	Financing Company	The Watercourse, Zone 2, Central Business District, Mdina Road, Birkirkara, CBD 2010	32.38%	06-Sep-22
Develeco Malta Limited (C 90603)	Property Management	TUM Invest Head office, Zentrum Centre, Mdina Road, Qormi, QRM 9010, Malta	50%	18-Nov-22

The carrying amount of the investment in associates are as follows:

	Merged Entities EUR	Develeco Malta Limited EUR	BBT p.l.c. EUR	BBTF Holdings Limited EUR	Total EUR
Carrying amount of the investment as at 01 January 2023	-	42,799	-	787	43,586
Addition through transaction	-	-	17,268,449	-	17,268,449
Addition through receivable assignment	-	-	7,000,000	-	7,000,000
Share in profit/(loss) of associates	-	84,645	47,305	(98)	131,852
Carrying amount of the investment as at 30 June 2023	-	127,444	24,315,754	689	24,443,887
Receivables from associates	4,045,754	-	-	-	4,045,754
Total carrying amount of the investment in associates as at 30 June 2023	4,045,754	127,444	24,315,754	689	28,489,641

Tum Finance plc

Notes to the interim condensed financial statements – continued

For the period ended 30 June 2023

7. Investment in associates – continued

The carrying amount of the investment in associates as at 30 June 2023 is as follows:

	30/06/2023 (unaudited) EUR
Associates acquired through restructuring:	
- Equity	17,443,887
- Receivables	4,045,754
Associate through receivable assignment	7,000,000
	28,489,641

In 2022, TOL entered into a joint venture with third parties unrelated to the company. The principal activity of this joint venture is the development and operation of properties already owned by each of the joint venture parties as well as investment in further properties for the development and, or operation thereof. The company incorporated for the purpose of said joint venture forming BBT.

On 7 June 2023, TOL, BBT, and V&C Developments Limited entered into an agreement for TOL to exchange its 75% shareholding in its subsidiary CPHL in return for the issue and allotment of 31.43% of the issued share capital of BBT. The shareholding allocated to TOL in BBT has been determined based on the fair market value attributed to the 75% shareholding in CPHL compared to the fair market value attributed to the assets contributed by the other shareholders in BBT.

The fair market value was established by professional valuers less EUR13,000,000 in liabilities of CPHL to TOL. The loan owed by CPHL to TOL was assumed by BBT. In terms of the Transfer Agreement, CPHL and BBT undertook in favour of TOL as follows: that BBT shall procure bank financing for the purposes of advancing a loan of EUR6,000,000 to CPHL, which amount CPHL authorised and instructed BBT to use for the purposes of paying TOL directly in part settlement of the loan owed by CPHL to it (the “TOL-CPHL Loan”). With respect of the outstanding balance of EUR7,000,000 due by CPHL in terms of the TOL-CPHL Loan, TOL has assigned such receivable to BBT for an equivalent consideration settled by way of issuance of further shares in BBT in favour of TOL.

Tum Finance plc

Notes to the interim condensed financial statements – continued

For the period ended 30 June 2023

8. Related party disclosures

The Company is the ultimate parent of Easysell Limited, Center Parc Development Limited and San Gwakkinn Limited through its direct wholly-owned subsidiary, TOL. The registered office of these companies is at Tum Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi, Malta. The ultimate controlling party is Anthony Fenech.

During the course of the period, the Group and the Company entered into transactions with related parties as set out below. Other related parties are entities having the same ultimate parent.

	The Group		The Company	
	01/01/2023 to 30/06/2023	01/01/2022 to 30/06/2022	01/01/2023 to 30/06/2023	01/01/2022 to 30/06/2022
	EUR	EUR	EUR	EUR
Revenue				
<i>Related party transactions with:</i>				
- Subsidiaries	-	-	206,563	206,563
- Other related parties	497,812	433,000	-	-
Finance income				
<i>Related party transactions with:</i>				
- Subsidiaries	-	-	231,077	231,077
- Other related parties	-	42,579	-	-
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
	EUR	EUR	EUR	EUR
Loans/advances to				
<i>Related party balances with:</i>				
- Subsidiaries	-	-	19,409,226	12,256,000
- Parent	-	-	-	-
Loans/advances from				
<i>Related party balances with:</i>				
- Parent company	3,656,016	3,656,016	2,456,016	2,456,016

9. Discontinued operations

On 7 June 2023, TOL, BBT, and V&C Developments Limited entered into Transfer Agreement for TOL to exchange its 75% shareholding in its subsidiary CPHL in return for the issue and allotment of 31.43% of the issued share capital of BBT. The shareholding allocated to TOL in BBT has been determined based on the fair market value attributed to the 75% shareholding in CPHL compared to the fair market value attributed to the assets contributed by the other shareholders in BBT.

Revenues, expenses, gains, and losses relating to the disposal of investment in CPHL have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item in the consolidated statement of profit or loss and other comprehensive income.

Tum Finance plc

Notes to the interim condensed financial statements – continued

For the period ended 30 June 2023

9. Discontinued operations – continued

Pursuant to the Transfer Agreement, 75% ownership of CPHL was disposed in exchange of 14,919 ordinary “A” shares in BBT with an equivalent value of EUR17,268,449, resulting in a gain from the transaction amounting to EUR3,094,684.

	01/01/2023 to 31/05/2023	01/01/2022 to 30/06/2022
Revenue		
Rental income	791,625	894,704
Other income	120	86,680
Expenses		
Administrative and other operating expenses	(78,385)	(175,018)
Finance costs	(197,887)	(223,758)
Profit before tax	515,473	582,608
Income tax expense	(146,488)	(134,206)
Profit & Loss	368,985	448,402
Intercompany elimination	184,331	-
Gain on disposal of investment	3,094,684	-
Profit for the year from discontinued operations	<u>3,648,000</u>	<u>448,402</u>

10. Events after the reporting period

There were no events after the reporting period that would require adjustments to or disclosure in the financial statements.