

Tum Finance plc

C91228

**Unaudited interim Condensed Consolidated Financial Statements
30 June 2021**

Tum Finance plc

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Tum Finance plc

Interim Directors' report

Pursuant to Listing Rules 5.75.2 for the period 1 January to 30 June 2021

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 2021.

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 EUR641 (2020: EUR26,171). The Company is expected to generate additional revenue in the remaining six-month period of 2021 and report a profit for the year.

The Group

The Group interim condensed statement of comprehensive income is set out on page 4. During the period, the Group generated a profit before tax of EUR983,847 (2020: EUR822,195).

The COVID-19 outbreak had a continued impact throughout the period leading governments to implement measures that required entities to limit or suspend business operations. Whilst no disruptions were experienced for the office block held by the Group, the shopping complex was closed for a period of time due to government measures. Notwithstanding this, the Group still generated a profit for the period.

Principal risks and uncertainties for the remaining six-month period of 2021

The COVID-19 pandemic has impacted most industries in Malta and remains the major source of uncertainty for the upcoming period. The Group has compiled cashflow projections primarily based on the expected revenues and receipts from their tenants. These projections indicate that the Group is expected to have sufficient liquidity to meet its obligations as they fall due. Based on the above considerations and the current prevailing circumstances, the Directors consider the capital and liquidity position of the Group to be adequate to absorb any foreseeable impact from COVID-19. The Directors have also assessed the potential impact of a further disruption to their business. The shareholders have confirmed their commitment to support the Group financially or otherwise should this be required.

Related party transactions

Related party transactions undertaken during the period are disclosed in Note 7.

Dividends

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

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



SILVAN FENECH
Executive Director



ANTHONY FENECH
Executive Director

Date: 17/08/2021

Tum Finance plc

Directors' statement pursuant to Listing Rule 5.75.3

We hereby confirm that to the best of our knowledge:

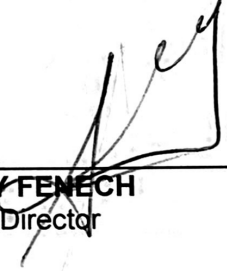
- a) The condensed half-yearly report, including the condensed interim financial statements (separate and consolidated) gives a true and fair view of the financial position of the Group and Company as at 30 June 2021, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34 *Interim Financial Reporting*);
- b) The Interim Directors' report includes a fair review of the information required in term of Listings Rules 5.81 to 5.84.

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



SILVAN FENECH
Executive Director

Date: 17/08/2021



ANTHONY FENECH
Executive Director

Tum Finance plc

Interim condensed statements of profit or loss and other comprehensive income

for the period ended 30 June

	Notes	The Group		The Company	
		From 01/01/2021 to 30/06/2021 (unaudited) EUR	From 01/01/2020 to 30/06/2020 (unaudited) EUR	From 01/01/2021 to 30/06/2021 (unaudited) EUR	From 01/01/2020 to 30/06/2020 (unaudited) EUR
Revenue	3	1,716,265	1,551,588	202,018	168,736
Administrative and other operating expenses		(408,918)	(325,691)	(45,826)	(44,324)
Change in fair value of investment property		-	-	-	-
Operating profit/(loss)		1,307,347	1,225,897	156,192	124,412
Finance income		80,952	-	242,226	247,757
Finance costs		(404,452)	(403,702)	(399,059)	(398,340)
Profit/(loss) before tax		983,847	822,195	(641)	(26,171)
Income tax expense		(352,331)	(367,978)	(22,153)	(13,217)
Profit/(loss) for the period		631,516	454,217	(22,794)	(39,388)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income/(loss) for the period		631,516	454,217	(22,794)	(39,388)
Attributable to:					
Equity holders of the company		556,411	392,607	-	-
Non-controlling interests		75,105	61,610	-	-
		631,516	454,217	-	-

Tum Finance plc

Interim condensed statements of financial position

	Notes	The Group As at 30/06/2021 (unaudited) EUR	As at 31/12/2020 (audited) EUR	The Company As at 30/06/2021 (unaudited) EUR	As at 31/12/2020 (audited) EUR
ASSETS					
Non-current assets					
Investment property	4	64,527,025	64,363,158	-	-
Property, plant and equipment		51,372	31,056	-	-
Investment in subsidiary		-	-	20,074,623	20,074,623
Loans to related companies	5	-	-	18,042,670	18,794,444
		<u>64,578,397</u>	<u>64,394,214</u>	<u>38,117,293</u>	<u>38,869,067</u>
Current assets					
Loans to related companies	5	-	-	805,556	611,556
Due from related parties		1,321,216	1,488,131	905,240	583,222
Trade and other receivables		206,146	351,581	696	3,621
Cash and cash equivalents		602,246	231,324	106,101	166,832
Tax recoverable		54,078	111,311	54,078	111,311
		<u>2,183,686</u>	<u>2,182,347</u>	<u>1,871,671</u>	<u>1,476,542</u>
TOTAL ASSETS		<u>66,762,083</u>	<u>66,576,561</u>	<u>39,988,964</u>	<u>40,345,609</u>

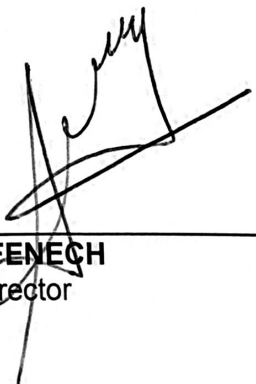
Tum Finance plc

Interim condensed statements of financial position - continued

	Notes	The Group		The Company	
		30/06/2021 (unaudited) EUR	31/12/2020 (audited) EUR	30/06/2021 (unaudited) EUR	31/12/2020 (audited) EUR
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		17,693,000	17,693,000	17,693,000	17,693,000
Retained earnings		12,037,145	11,480,734	128,652	151,446
Capital contribution		2,456,016	2,456,016	2,456,016	2,456,016
Other reserve		542,683	542,683	-	-
Equity attributable to the owners of the parent		32,728,844	32,172,433	20,277,668	20,300,462
Non-controlling interests		3,846,398	3,771,293	-	-
Total equity		36,575,242	35,943,726	20,277,668	20,300,462
Non-current liabilities					
Deferred tax liability		5,741,548	5,741,548	-	-
Lease liabilities		192,603	191,768	-	-
Debt securities in issue	6	19,606,932	19,574,540	19,606,932	19,574,540
		25,541,083	25,507,856	19,606,932	19,574,540
Current liabilities					
Trade and other payables		2,110,232	2,660,247	40,680	53,973
Debt securities in issue	6	52,634	389,584	52,634	389,584
Due to related parties		1,720,314	1,581,141	11,050	27,050
Tax payable		762,578	494,007	-	-
		4,645,758	5,124,979	104,364	470,607
Total liabilities		30,186,841	30,632,835	19,711,296	20,045,147
TOTAL EQUITY AND LIABILITIES		66,762,083	66,576,561	39,988,964	40,345,609

These condensed interim financial statements (unaudited) on pages 4 to 16 were approved and authorised for issue by the directors, on 17/08/2021 and signed by:


SILVAN FENECH
 Executive Director


ANTHONY FENECH
 Executive Director

Tum Finance plc

Interim condensed consolidated statements of changes in equity - Group

For the period ended 30 June 2021

	Share capital EUR	Retained earnings EUR	Other reserves EUR	Capital contribution EUR	Non- controlling interest EUR	Total EUR
Balance as at 1 January 2020	17,693,000	7,243,734	542,683	2,456,016	2,655,234	30,590,667
Total comprehensive income for the period	-	392,607	-	-	61,610	454,217
Balance as at 30 June 2020 (unaudited)	17,693,000	7,636,341	542,683	2,456,016	2,716,844	31,044,884
Balance as at 1 January 2021	17,693,000	11,480,734	542,683	2,456,016	3,771,293	35,943,726
Total comprehensive income for the period	-	556,411	-	-	75,105	631,516
Balance as at 30 June 2021 (unaudited)	17,693,000	12,037,145	542,683	2,456,016	3,846,398	36,575,242

Tum Finance plc

Interim condensed statements of changes in equity - Company

For the period ended 30 June 2021

	Share capital EUR	Retained earnings EUR	Capital Contribution EUR	Total EUR
Balance as at 1 January 2020	17,693,000	54,913	2,456,016	20,203,929
Total comprehensive income for the period	-	(39,388)	-	(39,388)
Balance as at 30 June 2020 (unaudited)	17,693,000	15,525	2,456,016	20,164,541

	Share Capital EUR	Retained earnings EUR	Capital contribution EUR	Total EUR
Balance as at 1 January 2021	17,693,000	151,446	2,456,016	20,300,462
Total comprehensive income for the period	-	(22,794)	-	(22,794)
Balance as at 30 June 2021 (unaudited)	17,693,000	128,652	2,456,016	20,277,668

Tum Finance plc

Interim condensed statements of cash flows

For the period ended 30 June

	The Group		The Company	
	From 01/01/2021 to 30/06/2021 (unaudited) EUR	From 01/01/2020 to 30/06/2020 (unaudited) EUR	From 01/01/2021 to 30/06/2021 (unaudited) EUR	From 01/01/2020 to 30/06/2020 (unaudited) EUR
Cash flows used in operating activities				
Profit/(loss) before tax	983,847	822,195	(641)	(26,171)
Adjustments for:				
Depreciation	50,636	7,437	-	-
Finance costs	404,452	403,702	399,059	398,340
Finance income	(80,592)	-	(242,226)	(247,757)
Dividend income	-	-	(118,736)	(118,736)
Operating profit before working capital movement	1,358,343	1,233,334	37,456	5,676
Movement in trade and other receivables	145,435	(152,658)	2,925	3,001
Movement in due from related parties	(32,172)	483,870	422,866	239,916
Movement in trade and other payables	(588,290)	110,278	(13,293)	938
Income taxes paid (refund)	883,316 (26,527)	1,674,824 (29,884)	449,954 35,080	249,531 -
Net cash flows from operating activities	856,789	1,644,940	485,034	249,531
Cash flows used in investing activities				
Purchase of property, plant and equipment	(11,952)	-	-	-
Purchase of investment property	(222,867)	(721,070)	-	-
Loans advanced to related parties	-	(1,050,000)	-	-
Movement in Loans to subsidiaries	-	-	-	498,236
Net cash flows (used in)/from financing activities	(234,819)	(1,771,070)	-	498,236
Cash flows from financing activities				
Advances from related parties	157,852	-	157,852	-
Loans repaid from related parties	300,000	-	-	-
Repayment of lease liabilities	(5,283)	-	-	-
Bond interest paid	(703,617)	(703,306)	(703,617)	(703,306)
Net cash flows (used in)/from financing activities	(251,048)	(703,306)	(545,765)	(703,306)

Tum Finance plc

Interim condensed statement of cash flows - continued

For the period ended 30 June

	The Group		The Company	
	From 01/01/2021 to 30/06/2021 (unaudited) EUR	From 01/01/2020 to 30/06/2020 (unaudited) EUR	From 01/01/2021 to 30/06/2021 (unaudited) EUR	From 01/01/2020 to 30/06/2020 (unaudited) EUR
Net movement in cash and cash equivalents	370,922	(829,436)	(60,731)	44,461
Cash and cash equivalents at the beginning of the period	231,324	1,085,125	166,832	5,331
Cash and cash equivalents at the end of the period	602,246	255,689	106,101	49,792
Non-cash investment activities:				
Acquisition of subsidiaries	-	-	-	-
Dividend Income	-	-	118,736	118,736

Tum Finance plc

Notes to the interim condensed financial statements

For the period ended 30 June 2021

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 registered office of the company is Tum Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi, 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 a shopping mall and other immovable properties in Qormi, Malta.

2.1 Basis of preparation and statement of compliance

The interim condensed separate and consolidated financial statements for the six months ended 30 June 2021 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 2020 and the unaudited results for the period ended 30 June 2020 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 2020.

2.3 Going concern assumption

As at 30 June 2021, the Group's current liabilities exceeded current assets by EUR2,462,072.

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.

Tum Finance plc

Notes to the interim condensed financial statements - continued

For the period ended 30 June 2021

2.4. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed separate and consolidated financial statements are consistent with those followed in the preparation of the Group's annual separate and consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed separate and consolidated financial statements of the Group. These are:

- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021(issued on 31 March 2021);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020);
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS19 (issued on 25 June 2020).

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation of these condensed interim financial statements, that are mandatory for the accounting periods beginning after 1 January 2021. The Group did not early adopt these revisions to the requirements of IFRSs as adopted by the EU and the directors are of the opinion that there are no requirements that will have a possible significant impact on the financial statements in the period of initial application.

3. Revenue

	The Group		The Company	
	From 01/01/2021 to 30/06/2021 (unaudited) EUR	From 01/01/2020 to 30/06/2020 (unaudited) EUR	From 01/01/2021 to 30/06/2021 (unaudited) EUR	From 01/01/2020 to 30/06/2020 (unaudited) EUR
Rental income	1,577,022	1,405,237	-	-
Dividend income	-	-	118,736	118,736
Other income	139,243	146,351	83,282	50,000
	<u>1,716,265</u>	<u>1,551,588</u>	<u>202,018</u>	<u>168,736</u>

Management assess 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 2021

4. Investment property (The Group)

	30/06/2021 (unaudited) EUR	31/12/2020 (audited) EUR
Opening balance	64,363,158	57,553,874
Additions from acquisition of subsidiaries	-	-
Additions from subsequent expenditure	163,867	1,954,237
Increase in fair value of property	-	4,855,047
At period end	64,527,025	64,363,158
Carrying amount		
At period end	64,527,025	64,363,158

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. The last valuation of the property held was performed as at 31 December 2020.

In the years where a valuation is not obtained, management verifies all major inputs used in the previous independent valuation report, by assessing the capitalisation rate against changes in discount and growth rates, as well as assessing the results achieved against the earning assumption used in the previous valuation report. Based on these analysis management holds discussions with the independent architect, to assess whether any changes in inputs would lead to significant changes in value of the property.

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 EUR1,577,022.

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.

Tum Finance plc

Notes to the interim condensed financial statements - continued

For the period ended 30 June 2021

4. Investment property (The Group) - continued

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

The valuation was determined based on the income approach (discounted projected cash flows).

	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. Loan to related companies (the Company)

	30/06/2021 (unaudited) EUR	31/12/2020 (audited) EUR
Non-current:		
Loan receivable from subsidiary (Note i)	11,692,670	12,444,444
Cumulative redeemable preference shares (Note ii)	6,350,000	6,350,000
As at 31 December 2020	18,042,670	18,794,444
Current:		
Loan receivable from subsidiary (Note i)	805,556	611,556
As at 31 December 2020	805,556	611,556

- i. The amounts owed by subsidiary are unsecured and subject to interest rate of 3.75% per annum. EUR4,887,114 is repayable in equal installments 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 2021

6. Debt securities in issue (The Group and The Company)

	30/06/2021 (unaudited) EUR	31/12/2020 (audited) EUR
Non-current:		
3.75% Bonds redeemable (Note i)	19,606,932	19,572,886
Current:		
3.75% Bonds redeemable (Note i)	52,634	391,238

- i. During 2019 the Company issued an aggregate principal amount of EUR20 million Bonds (2019 – 2029), 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 2021 for the 3.75% Bonds (2019 – 2029) was 101.00 (31 December 2020: EUR101.50).

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. Related party disclosures

Tum Finance plc is the direct parent of the Tum operations Limited and became the ultimate parent of Center Parc Holdings Ltd and Easysell Limited (formerly Easysell KIA Limited) through its direct subsidiary, Tum Operations Limited. The registered office of these companies is Tum Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi, Malta. The ultimate controlling party is Anthony Fenech.

Tum Finance plc

Notes to the interim condensed financial statements - continued

For the six months ended 30 June 2021

7. Related party disclosures - continued

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	
	01/01/2021 to 30/06/2021 EUR	01/01/2020 to 30/06/2020 EUR	01/01/2021 to 30/06/2021 EUR	01/01/2020 to 30/06/2020 EUR
Revenue				
<i>Related party</i>				
<i>Transactions with:</i>				
- Subsidiaries	-	-	202,018	168,736
- Other related parties	433,000	435,996	-	-
	<u>433,000</u>	<u>435,996</u>	<u>-</u>	<u>-</u>
Finance income				
<i>Related party</i>				
<i>Transactions with:</i>				
- Subsidiaries	-	-	242,226	247,757
- Other related parties	80,952	-	-	-
	<u>80,952</u>	<u>-</u>	<u>-</u>	<u>-</u>
	30/06/2021 EUR	31/12/2020 EUR	30/06/2021 EUR	31/12/2020 EUR
Loans/Advance to:				
<i>Related party</i>				
<i>Transactions with:</i>				
- Subsidiaries	-	-	13,403,466	13,056,000
- Parent	1,201,795	1,050,000	-	-
- Other related parties	119,421	-	-	-
	<u>1,321,216</u>	<u>1,050,000</u>	<u>13,403,466</u>	<u>13,056,000</u>
Loans/Advances from:				
<i>Related party</i>				
<i>Transactions with:</i>				
- Subsidiaries	-	-	10,000	26,000
- Parent Company	2,822,866	2,456,016	2,457,066	2,456,016
- Other related parties	1,315,983	-	-	-
	<u>4,138,849</u>	<u>2,456,016</u>	<u>2,467,066</u>	<u>2,482,016</u>