TUM Finance plc

Report & Consolidated Financial Statements

31 December 2024

Company registration number: C 91228

Contents

Directors' report

The directors present their report together with the audited financial statements of TUM Finance plc (the 'company') and the consolidated financial statements of the group for the year ended 31 December 2024.

Principal activities

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

During the year, the group generated a loss before tax of € 178,881 (2023 profit: € 2,097,251). The company generated a profit before tax of € 134,498 (2023: € 127,991).

Dividends

During the years ended 31 December 2024 and 2023, the company did not declare any dividends.

Future developments

On 15 January 2025, the group settled a loan from TUM Invest Limited, the ultimate parent company, amounting to €500,000 which is related to Edible Oil Property .

Directors

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

Anthony Fenech
Matthew Fenech
Silvan Fenech
Stanley Portelli
Mario Vella
William Wait

In accordance with the company's Articles of Association, the present directors remain in office.

Going concern

As required by Capital Markets Rule 5.62 issued by MFSA, upon due consideration of the group's state-of-affairs, capital adequacy and solvency, the directors confirm the group's ability to continue in operational existence for the foreseeable future. For this reason, in preparing the financial statements, they continue to adopt the going concern basis. Refer to Note 2.1, for the Directors' assessment of the going concern assumption.

Disclosure of information to the auditor

At the date of making this report the directors confirm the following:

- As far as each director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware, and
- Each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

Statement of directors' responsibilities

The Companies Act, Cap 386 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company as at the end of the financial year and of the profit or loss of the group and the company for that year. In preparing these financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the group and the company will continue in business;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Act, Cap 386. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the group and the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor Grant Thornton has intimated its willingness to continue in office and a resolution proposing its reappointment will be put to the Annual General Meeting.

Information pursuant to Capital Markets Rule 5.70.1

There were no material contracts to which the group, or its subsidiaries were a party, and in which anyone of the group's Directors were directly or indirectly interested.

Signed on behalf of the Board of Directors on 25 April 2025 by Anthony Fenech (Director) and Silvan Fenech (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Statement of compliance with the principles of Good Corporate Governance

1. Introduction

The Capital Markets Rules issued by the Malta Financial Services Authority (MFSA) require companies listed on the Official List of the Malta Stock Exchange to endeavour to adopt and observe The Code of Principles of Good Corporate Governance contained in Appendix 5.1 to Chapter 5 of the Capital Markets Rules (the "Code").

Although the Code sets out (non-mandatory) recommended principles of good practice, the Board of Directors of the Company (the "Board" or the "Directors") consider that such practices are generally in the best interests of the Company, its shareholders, its bondholders, and other stakeholders, and that compliance with the Code evidences the Company's and the Directors' commitment to high standards of good corporate governance.

This Corporate Governance Statement (the "Statement") sets out the organisational structures, controls practices and processes in place within the Company and explains how these effectively achieve the goals set out in the Code. For this purpose, the Statement will make reference to the pertinent provisions and principles of the Code and set out the manner in which the Directors believe these have been adhered to. Where the Company has not complied with any of the principles of the Code, this Statement provides an explanation for such non-compliance. Reference in this Statement to compliance with the principles of the Code means compliance with the Code's main principles and provisions.

The Board has carried out a review of the Company's compliance with the Code during the period under review and is hereby reporting on the extent of its adoption of the provisions and principles of the Code for the financial year being reported, as required in terms of Capital Markets Rule 5.97.

2. Compliance

The Company has adopted a corporate decision-making and supervisory structure that is tailored to suit its requirements and designed to ensure the existence of adequate controls and procedures within the Company, whilst retaining an element of flexibility essential to allow the Company to react promptly and efficiently to circumstances arising in respect of its business, taking into account its size and the economic conditions in which it operates.

The Directors are of the view that the Company has employed structures which are most suitable and complementary for the size, nature, operations and level of complexity of the Company. Accordingly, in general the Directors believe that the Company has adopted appropriate structures to achieve an adequate level of good corporate governance, together with an adequate system of control in line with the Company's requirements.

In particular, it is pertinent to note that the Company's principal purpose is to act as a financing and holding vehicle for the Tum Finance Group (as defined hereunder), consisting of the Company and its direct subsidiary Tum Operations Limited (C91301) and indirect subsidiaries San Gwakkin Limited (C102186), Easysell Limited (C9778), Tum Developments Limited (C 84520), TFL Property Development Limited (C 108290), TUM Tal-Pajpaj Properties Ltd. (C 109223), In-Nahal Property Limited (C 108309) and BBT Nigret Properties Ltd. (C 109328) (hereinafter the "Guarantor") (collectively referred to as the "Tum Finance Group"), in view of which, the Directors deem some of the principles and provisions of the Code to be disproportionate or inapplicable to the Company, as explained further below.

Principle 1: The Board

The Directors believe that for the period under review, the Company has generally complied with the requirements of this principle and the relative Code provisions.

The Board is composed of members who are fit and proper to direct and manage the business of the Company with honesty, competence and integrity. All the members of the Board are aware of, and conversant with, the statutory and regulatory requirements connected to the business of the Company and its status as a listed company and the Board is cognisant of its accountability for its own performance and that of its delegates. The Board of Directors is primarily responsible for:

- devising the corporate and business strategy of the Company;
- setting and reviewing internal policies, procedures and controls of the Company;
- the overall management and supervision of the Company
- reviewing and evaluating internal control procedures, financial performance and business risks and opportunities facing the Company.

Throughout the period under review, the Board has maintained systems designed to ensure that the Directors obtain timely information at regular intervals or when the need arises.

The Board has delegated specific responsibilities to the Audit Committee, under formal terms of reference approved by the Board. Further detail in relation to the Audit Committee may be found in the sections headed 'Principles 4 and 5' of this Statement hereunder.

Principle 2: Chairman and Chief Executive Officer

Given that the Company acts as the holding and financing arm of the Tum Finance Group and does not carry out other operations of its own, the Company has not appointed a Chief Executive Officer. Nevertheless, it has appointed a Chairperson, whose role is to lead the Board. During the period under review, Mr Anthony Fenech (an executive director of the Company) occupied the post of Chairperson. The Board considers that notwithstanding that the Chairman is not an independent director as recommended by the Code, the means for addressing potential conflicts of interest are suitably addressed in the statute of the company and terms of reference of the Audit Committee of the company. Furthermore, the Board considers the present Chairman to be fit and proper to occupy the role.

Principle 3: Composition of the Board

In terms of the Articles of Association of the Company, the Board of Directors of the Company shall consist of a minimum of three (3) directors and a maximum of six (6) directors.

In terms of the Articles of Association of the Company, the Directors of the Company (save for the managing director, if any) shall retire from office every three (3) years. Retiring Directors shall, however, be eligible for re-appointment. The Company shall give its shareholders, having voting rights, at least fourteen (14) days written notice to submit candidates for the election to Directors, and the appointment (and removal) of Directors shall be made by an ordinary resolution.

The Board of Directors of the Company is comprised of six (6) directors, three (3) of whom are executive directors, and three (3) of whom are independent non-executive directors. All of the present Directors of the Company were originally appointed with effect from the date of registration of the Company, and their tenure was extended for a further period of three years by virtue of a shareholders' resolution passed on 24 March 2023.

Director	**Capacity**	**Date of Appointment**
Mr. Anthony Fenech	Executive Director (Chairperson)	26th March 2019
Mr. Matthew Fenech	Executive Director	26th March 2019
Mr. Silvan Fenech	Executive Director	26th March 2019
Dr. Stanley Portelli	Independent and Non-Executive Director	26th March 2019
Mr. Mario Vella	Independent and Non-Executive Director	26th March 2019
Mr. William Wait	Independent and Non-Executive Director	26th March 2019

For the purpose of Code Provision 3.2, three (3) of the Directors are considered by the Board to be independent within the meaning of the Capital Markets Rules, such independent Directors being Dr. Stanley Portelli, Mr. Mario Vella, and Mr. William Wait.

The non-executive Directors contribute to the strategic development of the Company and the creation of long-term growth of the Company and are responsible for:

- constructively challenging and developing strategy;
- monitoring reporting of performance;
- scrutinising performance of management; and
- ensuring the integrity of financial information, financial controls and risk management systems.

Save as disclosed above, none of the non-executive Directors of the Company:

a) are or have been employed in any capacity by the Company;
b) receive significant additional remuneration from the Company;
c) have close family ties with any of the executive members of the Board;
d) have been within the last three (3) years an engagement partner or a member of the audit team of the present or past external auditor of the Company;
e) have served on the Board for more than twelve (12) consecutive years and
f) have a significant business relationship with the Company.

In terms of Code Provision 3.4, each non-executive Director has declared in writing to the Board that he undertakes:

- to maintain in all circumstances his/her independence of analysis, decision and action;
- not to seek or accept any unreasonable advantages that could be considered as compromising his independence; and
- to clearly express his opposition in the event that he finds that a decision of the Board may harm the Company.

Each non-executive Director has complied with the aforementioned undertaking for the period under review.

Principle 4 and 5: The Responsibilities of the Board and Board Meetings

The Board of Directors is entrusted with the overall direction, administration and management of the Company and meets on a regular basis to discuss and take decisions on matters concerning the strategy, operational performance and financial performance of the Company. At its meetings, the Board is provided with updates on ongoing performance of the Company and its subsidiaries, supplemented as necessary with management accounts on, as a minimum, a quarterly basis.

In fulfilling its mandate, the Board assumes responsibility to:

a) establish appropriate corporate governance standards;
b) review, evaluate and approve, on a regular basis, long-term plans for the Company;
c) review, evaluate and approve the Company's budgets, forecasts and financial statements;
d) review, evaluate and approve major resource allocations and capital investments;
e) review the financial and operating results of the Company;
f) ensure appropriate policies and procedures are in place to manage risks and internal control;
g) review, evaluate and approve the overall corporate organisation structure;
h) review, evaluate and approve compensation to Directors;
i) ensure effective communication with shareholders, bondholders, other stakeholders and the market

In fulfilling its responsibilities, the Board continuously assesses and monitors the Company's present and future operations, opportunities, threats, and risks in the external environment, and its current and future strengths and weaknesses in its internal environment .

In the course of holding Board meetings, as and when necessary, the Board considers, inter alia, their statutory and fiduciary duties, the Company's operations and prospects, the skills and competence of senior management, the general business environment, and its own expectations.

Audit Committee

The Board delegates certain specific responsibilities to the Audit Committee. The Board of Directors of the Company has established an Audit Committee and has formally set out Terms of Reference governing the scope of its composition, role, functions, powers, duties and responsibilities, as well as the procedures and processes to be complied with in its activities.

The Audit Committee is a sub-committee of the Board and fulfils an oversight role in connection with the quality and integrity of the Company's financial statements. Towards this end, the over-arching objective of the Audit Committee is that of assisting the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, the audit process and the process for monitoring compliance with applicable laws and regulations.

The Audit Committee is expected to deal with and advise the Board on issues of financial risk, control and compliance, and associated assurance of the Company, including:

i ensuring that the Company adopts, maintains and, at all times, applies appropriate accounting and financial reporting processes and procedures;
ii monitoring of the audit of the Company's management and annual accounts;
iii facilitating the independence of the external audit process and addressing issues arising from the audit process and ensuring good communication between internal and external audit activities, as applicable;
iv reviewing the systems and procedures of internal control implemented by management and of the financial statements, disclosures and adequacy of financial reporting;
v making recommendations to the Board in relation to the appointment of the external auditors and the approval of the remuneration and terms of engagement of the external auditors, following the relative appointment by the shareholders in the annual general meeting;
vii monitoring and reviewing of the external auditors' independence and, in particular, the provision of additional services to the Company;

vii ensuring that the Company, at all times, maintains effective financial risk management and internal financial and auditing control systems, including compliance functions; and
viii assessing any potential conflicts of interests between the duties of Directors and their respective private interests, or their duties and interests unrelated to the Company.

In addition, the Audit Committee has the role and function of evaluating any proposed transaction to be entered into by the Company and a related party (which term shall have the same meaning as in the International Accounting Standards adopted in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council) to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the company.

Any proposed transaction which the Company wishes to enter into and which satisfies either of the following conditions shall be referred to the Audit Committee for its consideration and approval:

(i) transactions which clearly fall within the ambit of the Capital Markets Rules as related party transactions and which are not the subject of an exemption therefrom;
(ii) transactions in respect of which management is not certain as to whether they fall within the ambits of the Capital Markets Rules as related party transactions or in respect of which there is uncertainty as to whether any one or more exemptions should apply to the proposed transactions.

At the meeting convened for this purpose, the Audit Committee shall consider the proposed transaction and first determine whether it is a transaction that falls within the ambit of the applicable Capital Markets Rules and, if it so determines, shall then consider the merits of the proposed transaction.

The Audit Committee is made up entirely of non-executive Directors, all of whom are deemed to be independent of the Company. Audit Committee members are appointed for as long as they remain independent non-executive Directors, unless terminated earlier by the Board. During the period under review, the Audit Committee was composed of:

Mr. Mario Vella	Chairperson of the Audit Committee
Dr. Stanley Portelli	Member of the Audit Committee
Mr. William Wait	Member of the Audit Committee

The Chairperson of the Audit Committee, appointed by the Board, is entrusted with reporting to the Board on the workings and findings of the Audit Committee. Mr. Mario Vella occupied the post of Chairperson of the Audit Committee during the period under review.

Mr. Mario Vella and Mr. William Wait are considered by the Board to be competent in accounting and/or auditing in terms of the Capital Markets Rules, based on their respective extensive experience occupying financial management and auditing roles within various private and public entities, as well as their respective skills and competencies in financial reporting, financial management, financial auditing and general financial advisory.

In performing its duties, the Audit Committee is to maintain effective working relationships with the Board of Directors, management and the external auditors of the Company.

The Audit Committee has met on ten (10) occasions during the financial period ended 31 December 2024, which meetings were attended by all its members. The Audit Committee is scheduled to meet at least five (5) times in 2025.

The Board believes that it has systems in place to fully comply with Principle 5 and the relative Code Provisions, in that it has systems in place to ensure reasonable notice of meetings of the Board and ensuring that the Directors receive discussion papers in advance of meetings, to the extent possible.

The Directors are assisted by the company secretary, who is consulted to ensure compliance with statutory requirements and with continuing listing obligations. The company secretary keeps minutes of all meetings of the Board and of its committees, which minutes are subsequently circulated to the Board as soon as practicable after the meeting.

The Company also maintains detailed records of all dealings by Directors of the Company and its subsidiaries, as well as senior executives thereof in the Company's bonds, and assists the Board and senior management in being duly informed of and conversant with their obligations emanating from the Market Abuse Regulation (EU Regulation 596/2014) (“MAR”) and ensuring compliance therewith, to ensure the prevention and detection of insider dealing, unlawful disclosure of inside information and, or market abuse. In particular, cognisant of the material consequences of non-compliance with MAR and the effects thereof on investor confidence and market integrity, the Board has in place written policies and procedures relating to the keeping of insiders’ lists, dealing in bonds of the Company, and procedures for persons in possession of inside information.

The Directors have access to independent professional advice on any aspect of their duties and responsibilities, or the business and activities of the Company, at the Company’s expense should they so require.

The Board of Directors of the Company met formally eight (8) times during the period under review either in its offices in Malta or by video conference. The number of board meetings attended by the individual Directors for the period ended 31 December 2024 is as follows:

Name	Capacity	Meetings attended while in office
Mr. Anthony Fenech	Executive Director (Chairperson)	7/8
Mr. Matthew Fenech	Executive Director	7/8
Mr. Silvan Fenech	Executive Director	7/8
Dr. Stanley Portelli	Independent and Non-Executive Director	8/8
Mr. Mario Vella	Independent and Non-Executive Director	8/8
Mr. William Wait	Independent and Non-Executive Director	8/8

Principle 6: Information and Professional Development

The Directors receive periodic information on the Company’s and Tum Finance Group’s financial performance and position, and the company secretary is available for the provision of training programmes as and when necessary.

Principle 7: Evaluation of the Board’s Performance

The Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board’s performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Company’s shareholders, the market and the rules by which the Company is regulated as a listed company.

Principle 8: Committees

The Directors believe that, due to the Company’s size and operations, it is not necessary to establish committees regarding remuneration, board evaluation and nominations as suggested by the Code and the Directors have formulated the view that these functions can efficiently and effectively be undertaken by the Board itself.

In view of the above, the Board undertakes an annual review of the remuneration structure applicable to Directors and carries out a self-evaluation of the performance of the Board. The aggregate remuneration that may be paid by the Company to its Directors is subject to the approval of the shareholders at the annual general meeting of the Company.

In this respect, it is pertinent to note that the remuneration that may be paid to the Directors is fixed and the Directors are not entitled to any performance based or variable remuneration. Furthermore, the Directors of the Company are not entitled to profit-sharing, share options or pension benefits.

Remuneration statement

In terms of Rule 8A.4 of the Code, the Company is to include a remuneration statement in its annual report which shall include details of the remuneration policy of the Company and the financial packages of the Board of Directors.

In terms of Article 96 of the Articles of Association of the Company, it is the shareholders of the Company in the General Meeting who determine the maximum annual aggregate remuneration payable to the Directors. The aggregate amount to be proposed for approval for this purpose at the next Annual General Meeting is an amount not exceeding €60,000.

None of the Directors of the Company is employed by the Company.

No part of the remuneration paid to the Directors is performance-based. None of the Directors, in their capacity as a director of the Company, is entitled to profit sharing, share options or pension benefits.

The Non-Executive Directors received € 48,000 (2023: €36,000), in aggregate for services rendered during the year ended 31 December 2024.

Principle 9: Relations with shareholders (and bondholders) and the market

The Company is committed to ensuring an open channel of communication with its shareholders, bondholders, other stakeholders and the wider market. The publication of interim and annual financial statements, together with ongoing company announcements, keep the market informed of developments relating to the Company and, in the case of bondholders, of developments pertinent to their investment in the Bonds. The Board feels that such communication provides the market with adequate information about its activities.

In addition, the Company's website (http://tumfinance.com/index.php/investor-relations/) acts as a central source of information about the Company, its business, and developments relating thereto.

Principle 10: Institutional shareholders

The Company has no institutional shareholders; therefore Principle 10 of the Code does not apply to the Company.

Principle 11: Conflicts of Interest

The Directors are fully aware of their responsibility to always act in the best interests of the Company and its shareholders irrespective of whoever appointed or elected them to serve on the Board.

On joining the Board and regularly thereafter, Directors and officers of the Company are informed and reminded of their obligations on dealing in securities of the Company within the parameters of law and Capital Markets Rules. The Company has also established an internal code of dealing and reporting procedures.

It is the practice of the Board that when a potential conflict of interest arises in connection with any transaction or other matter, the potential conflict of interest is declared, so that steps may be taken to ensure that such items are appropriately addressed. By virtue of the Memorandum and Articles of Association, the Directors are obliged to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with that of the Company. The Board member concerned shall not take part in the assessment by the Board as to whether a conflict of interest exists. A Director shall not vote in respect of any contract, arrangement, transaction or proposal in which he has a material interest. The Board believes that this is a procedure that achieves compliance with both the letter and rationale of Principle Eleven of the Code.

Save as stated below, the Directors are not aware of any potential conflicts of interest which could relate to their roles within the Company:

- i Mr. Anthony Fenech (an executive director and Chairperson of the Company) is the sole ultimate beneficial owner of the Company. The sole beneficial owner, and members of his family, are members of the board of directors of several entities within the Tum Finance Group. In particular, Mr. Anthony Fenech himself is a director of Tum Operations Limited (C91301) and Easysell Limited (C9778);
- ii Mr. Silvan Fenech (an executive director of the Company) is also a director on the board of directors of all companies forming part of the Tum Finance Group;
- iii Mr. Matthew Fenech (an executive director of the Company), is also a director on the board of directors of all companies forming part of the Tum Finance Group;

iv The board of directors of the sole parent company of the Company (that is, of TUM Invest Limited, C69572), is comprised of Mr. Anthony Fenech, Mr. Silvan Fenech and Mr. Matthew Fenech;

Mr. Mario Vella (an independent non-executive director of the Company) sat on the board of directors of all the companies within the Tum Finance Group until his resignation as director of said companies, with effect from the 30 April 2022.

The Executive Directors of the Company are thus susceptible to conflicts between the potentially divergent interests of the Tum Finance Group.

Moreover, conflicts may further arise given the lender-borrower relationship subsisting between the Company and its direct subsidiary (TUM Operations Limited - C91301) and with its indirect subsidiaries San Gwakkin Limited (C102186), Easysell Limited (C9778), TUM Developments Limited (C 84520), TFL Property Development Limited (C 108290), TUM Tal-Pajpaj Properties Ltd. (C 109223), In-Nahal Property Limited (C 108309) and BBT Nigret Properties Ltd. (C 109328) respectively.

Conflicts may also arise in respect of the property co-owned by Easysell Limited at Mdina Road, Qormi (the “Secured Asset”) given that the Company uses part of such property as its registered office, and the Secured Asset is one third owned by Tum Invest Limited (C69572), whose directors are also directors of the Company and the companies forming part of the Tum Finance Group.

Principle 12: Corporate Social Responsibility

The Tum Finance Group makes regular contributions to social and charitable causes and projects and adheres to accepted principles of corporate social responsibility as well as business and ethical standards.

Non-Compliance with the Code

The Directors have adopted a corporate governance framework within the Company that is designed to better suit the Company, its business, scale, and complexity, whilst ensuring proper checks and balances.

Taking the above into account and considering that the Code is not mandatory and that the provisions thereof may be departed from provided that reasonable and justifiable circumstances exist and are adequately explained, the Directors set out below the Code Provisions with which the Company does not comply and what are, in its view, a reasonable and justifiable basis for such departure from the recommendations set out in the Code relating to the composition of the Board.

Principle 2: Chairman and Chief Executive (Code Provisions 2.1, 6.4 and 6.5)

Although the Articles of Association of the Company allow for the appointment of a Chief Executive Officer, no such officer has been appointed for the period under review. In addition, the division of responsibilities between the Chairman and Chief Executive Officer has not been set out in writing as required in terms of Code Provision 2.1. Accordingly, Code Provisions 6.4 and 6.5 which set out the responsibilities of the Chief Executive have not been complied with as these are not applicable at this point in time.

Principle 2: Chairman and Chief Executive (Code Provisions 2.3)

With respect to Code Provision 2.3, the Board notes that the Chairman is also an executive member of the Board. However, the Board is of the view that this function of the Chairman does not impinge on his ability to bring to bear independent judgement to the Board.

Principle 4: The Responsibilities of the Board (Code Provisions 4.2.7)

The Board has not formally developed a succession policy for the future composition of the Board of Directors as recommended by Code Provision 4.2.7.

Principle 7: Evaluation of the Board’s Performance (Code Provisions 7.1)

The Board has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance in accordance with the requirements of Code Provision 7.1. The Board believes that the size of the company and the Board itself does not warrant the establishment of a committee specifically for the purpose of carrying out a performance evaluation of its role. Whilst the requirement under Code Provision 7.1 might be useful in the context of larger companies having a more complex set-up and a larger Board, the size of the company's Board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad-hoc committee for this purpose. The Board shall retain this matter under review over the coming year.

Principle 8A and 8B: Remuneration Committee (Code provision 8.A.1) and Nominations Committee (Code provision 8.B.1)

The Board has not established a Remuneration and/or Nominations Committee.

The Board has formulated the view that the size, structure and management of the Company are such that the establishment of an ad hoc Remuneration Committee is not warranted, and the responsibility for the establishment, review and implementation of the Company's remuneration policies has been retained within the remit of the Board itself. In particular, the Board notes that the current remuneration policy of the Company comprises purely fixed-rate remuneration, with no entitlement to any performance-based remuneration, or any entitlement to share options, retirement pension benefits or other benefits.

Furthermore, the Board believes that the procedure for the nomination and appointment of Directors contained in the Articles of Association are commensurate to the size and operations of the Company, and does not consider the requirement to establish an ad hoc Nominations Committee to be necessary for the Company.

Instead, the Board takes on the role of periodically assessing the skills, knowledge and experience of individual directors for the Board to have the appropriate level of skill, knowledge and experience, that would endow the Board with the requisite collective competence for the proper functioning, management and oversight of the Company by the Board.

The Board intends to keep under review the utility and possible benefits of having a Remuneration Committee and Nominations Committee in due course.

Principle 9: Relations with shareholders and the market (Code provision 9.3)

There are no formal procedures in place within the Company for the resolution of conflicts between minority and controlling shareholders, nor do the Memorandum and Articles of Association of the Company contemplate any mechanism for arbitration in these instances.

Principle 9: Relations with shareholders and the market (Code provision 9.4)

The Company does not have a formal policy in place to allow minority shareholders to present an issue to the Board. In practice, however, the open channel of communication between the Company and minority shareholder, being the Chairman of the Board of Directors, is such that any issue that may merit bringing to the attention of the Board may be transmitted via the company secretary or directly by the said Chairman.

Internal Controls

The key features of the Company's systems of internal controls are as follows:

The Company's internal control system is designed to ensure proper annual reporting, implementation of the four-eyes principle to mitigate risks and compliance with local and international laws and regulations.

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. Such a system is designed to achieve business objectives and to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable assurance against material error, losses or fraud.

The Company's financial reporting is prepared by the finance team of the Group and the Company's Directors.

The Company’s financial statements are subject to an audit by the independent auditors of the Company – Grant Thornton Malta. The audited and approved financial statements will be presented to the Company’s shareholders by the Board of Directors of the Company for its formal adoption at the next Annual General Meeting of shareholders of the Company.

General Meetings

Annual General Meeting (AGM)

The AGM is the highest decision-making body of the Company.

All shareholders registered in the shareholders’ register at the relevant registration record date, have the right to participate in the AGM and to vote thereat. A shareholder who cannot participate in at the AGM can be represented by proxy.

A general meeting is deemed to have been duly convened if at least twenty-one (21) days’ notice is given in writing to all persons entitled to receive such notice, which must specify the place, the day and the hour of the meeting, and in case of special business, the general nature of that business, and shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such special business. The notice period may be reduced to fourteen (14) days if certain conditions are satisfied. The quorum of shareholders required is not less than fifty percent (50%) of the nominal value of the issued and paid-up shares entitled to attend and vote at the meeting.

The agenda of the AGM will comprise of the ordinary business of the AGM, covering the presentation and approval of the Annual Report and Financial Statements, the declaration of dividends, election of Directors and the approval of their remuneration, the appointment of the auditors and the authorisation of the Directors to set the auditors’ fees, together with any special business specified in the notice calling the AGM.

Extraordinary General Meetings (EGMs)

The Directors may convene an extraordinary general meeting whenever they think fit. In addition, any member/s of the Company holding at least ten per cent (10%) of the equity securities of the Company conferring a right to attend and vote at general meetings of the Company may convene an extraordinary general meeting.

Statements of profit or loss and other comprehensive income

	Notes	Group 2024 €	Group 2023 €	Company 2024 €	Company 2023 €
Revenue	6	1,869,397	3,692,750	695,321	588,125
Administrative and other operating expenses	7	(908,173)	(640,638)	(178,525)	(131,275)
Gross profit		961,224	3,052,112	516,796	456,850
Finance income	8	50,643	14,055	467,260	465,984
Finance costs	9	(953,845)	(855,303)	(849,558)	(794,843)
Other income		973	-	-	-
Share of loss of associates	14	(237,876)	(113,613)	-	-
(Loss) profit before tax		**(178,881)**	**2,097,251**	**134,498**	**127,991**
Tax expense	10	(1,297,221)	(395,440)	-	-
(Loss) profit for the year		**(1,476,102)**	**1,701,811**	**134,498**	**127,991**
Profit from discontinued operations		-	3,648,000	-	-
Total comprehensive (loss) income		**(1,476,102)**	**5,349,811**	**134,498**	**127,991**
Attributable to:					
Equity holders of the Company		(1,462,568)	5,267,752	134,498	127,991
Non-controlling interests		(13,534)	82,059	-	-

Statements of financial position

		Group		Company	
	Notes	2024	2023	2024	2023
		€	€	€	€
Assets					
Non-current					
Investment property	11	79,625,941	30,500,451	-	-
Property, plant and equipment	12	14,709,572	8,567,039	-	-
Investment in subsidiary	13	-	-	20,074,623	20,074,623
Investment in associates	14	28,387,666	29,618,575	-	-
Loans due from related parties	15	325,000	325,000	27,172,222	17,115,910
Other assets	16	1,558,943	-	-	-
Goodwill	17	346,295	-	-	-
		124,953,417	**69,011,065**	**47,246,845**	**37,190,533**
Current					
Loans due from related parties	15	-	-	4,239,170	2,228,222
Amounts due from related parties	18	4,486,237	4,815,549	1,570,799	1,417,938
Trade and other receivables	19	292,905	261,670	12,241	6,251
Cash and cash equivalents	20	8,074,322	845,721	22,408	4,602
Tax recoverable		-	154,717	-	96,708
		12,853,464	**6,077,657**	**5,844,618**	**3,753,721**
Total assets		**137,806,881**	**75,088,722**	**53,091,463**	**40,944,254**
Equity					
Share capital		17,693,000	17,693,000	17,693,000	17,693,000
Retained earnings		9,039,288	19,251,438	732,742	598,244
Capital contributions		3,915,811	3,915,811	2,456,016	2,456,016
Other reserves		9,392,017	542,683	-	-
Equity attributable to Owners of the parent	21	**40,040,116**	**41,402,932**	**20,881,758**	**20,747,260**
Non-controlling interests		(22,473)	(9,539)	-	-
Total equity	21	**40,017,643**	**41,393,393**	**20,881,758**	**20,747,260**
Liabilities					
Non-current					
Deferred tax liability	23	3,317,678	3,031,303	-	-
Bank loan	25	23,464,593	5,215,927	-	-
Loans due to related parties	26	23,471,007	1,756,007	-	-
Lease liabilities	24	191,736	191,737	-	-
Debt securities in issue	22	31,432,179	19,702,894	31,432,179	19,702,894
		81,877,193	**29,897,868**	**31,432,179**	**19,702,894**
Current					
Bank loan and overdraft	25	487,806	-	-	-
Trade and other payables	27	2,429,381	753,054	249,510	42,481
Debt securities in issue	22	398,111	391,081	398,111	391,081
Amounts due to related parties	28	12,067,524	2,277,001	129,905	60,538
Tax payable		529,223	376,325	-	-

	15,912,045	**3,797,461**	**777,526**	**494,100**
Total liabilities	**97,789,238**	**33,695,329**	**32,209,705**	**20,196,994**
Total liabilities and equity	**137,806,881**	**75,088,722**	**53,091,463**	**40,944,254**

The financial statements were approved and authorised for issue by the board of directors on 30 April 2025 . The financial statements were signed on behalf of the company's board of directors by Anthony Fenech (Director) and Silvan Fenech (Director) as per the Directors' Declaration of ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report 2024.

Statements of changes in equity

	Share capital	Retained earnings	Other reserves	Capital contribution	Non-controlling interest	Total equity
	€	€	€	€	€	€
Group						
Balance at 1 January 2024	17,693,000	19,251,438	542,683	3,915,811	(9,539)	41,393,393
Loss for the year	-	(1,462,568)	-	-	(13,534)	(1,476,102)
Prior year adjustments	-	99,752	-	-	-	99,752
Transfer of reserves	-	(8,849,334)	8,849,334	-	-	-
Incorporation of subsidiary (note 13)	-	-	-	-	600	600
Balance at 31 December 2024	**17,693,000**	**9,039,288**	**9,392,017**	**3,915,811**	**(22,473)**	**40,017,643**
Balance 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	-	5,267,752	-	-	82,059	5,349,811
Liquidation of subsidiary (note 13)	-	-	-	-	(1,702)	(1,702)
Disposal of subsidiary (note 13)	-	-	-	-	(4,713,954)	(4,713,954)
Balance at 31 December 2023	**17,693,000**	**19,251,438**	**542,683**	**3,915,811**	**(9,539)**	**41,393,393**
Company						
Balance at 1 January 2024	17,693,000	598,244	-	2,456,016	-	20,747,260
Profit for the year	-	134,498	-	-	-	134,498
Balance at 31 December 2024	**17,693,000**	**732,742**	**-**	**2,456,016**	**-**	**20,881,758**
Balance at 1 January 2023	17,693,000	470,253	-	2,456,016	-	20,619,269
Profit for the year	-	127,991	-	-	-	127,991
Balance at 31 December 2023	**17,693,000**	**598,244**	**-**	**2,456,016**	**-**	**20,747,260**

Retained earnings include all current and prior period results as disclosed in the statement of profit or loss and other comprehensive income less dividends.

Statements of cash flows

		Group		Company	
	Notes	2024	2023	2024	2023
		€	€	€	€
Operating activities					
(Loss) profit before tax		(178,881)	2,097,251	134,498	127,991
Adjustments	29	385,718	(768,157)	(314,383)	(259,266)
Net changes in working capital	29	23,383,868	4,731,402	814,795	1,538,986
Operating activities of discontinued operation		-	553,316	-	-
Income taxes (paid) received		(703,231)	(526,505)	96,708	84,738
Net cash generated from operating activities		**22,887,474**	**6,087,307**	**731,618**	**1,492,449**
Investing activities					
Payments to acquire property, plant and equipment	12	(6,173,545)	(8,522,346)	-	-
Payments to acquire investment property	11	(49,127,101)	(137,323)	-	-
Advances from (to) related parties		11,588,621	(1,130,253)	-	-
Advance payment to acquire a property		(1,558,943)	-	-	-
Net cash used in investing activities		**(45,270,968)**	**(9,789,922)**	**-**	**-**
Financing activities					
Issuance of loans to related parties		-	-	(11,600,000)	(738,132)
Proceeds from bank loan and bank overdraft		18,781,413	5,215,927	-	-
Net proceeds from issuance of debt securities		11,636,188	-	11,636,188	-
Repayment of lease liabilities		(10,565)	(10,538)	-	-
Bond interest paid		(750,000)	(750,000)	(750,000)	(750,000)
Interest paid		(44,941)	(4,162)	-	-
Net cash generated from (used in) financing activities		**29,612,095**	**4,451,227**	**(713,812)**	**(1,488,132)**
Net change used in cash and cash equivalents		7,228,601	748,612	17,806	4,317
Cash and cash equivalents, beginning of year		845,721	105,226	4,602	285
Cash and cash equivalents, end of year		**8,074,322**	**853,838**	**22,408**	**4,602**
Cash and cash equivalents included in disposal group		-	(8,117)	-	-
Cash and cash equivalents for continuing operations	20	**8,074,322**	**845,721**	**22,408**	**4,602**

Notes to the financial statements

1 Nature of operations

The company is 99.9% owned subsidiary by TUM Invest Limited. The company acts as an investment and holding company, whilst the group is engaged in investment, development and operation of a shopping mall and other immovable properties in Qormi, Malta.

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

TUM Finance plc is a public limited company registered in Malta under the Companies Act, (Cap. 386) with registration number C 91228. The registered office of the company is TUM Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi.

The financial statements of the group and the company have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union, and in accordance with the Companies Act, Cap. 386.

The financial statements are presented in euro (€), which is also the functional currency of the holding company and its subsidiaries.

2.1 Going concern

As at 31 December 2024, the group's current liabilities exceeded current assets by € 3,058,581 (2023: current assets exceeded current liabilities by € 2,280,196).

Included in current liabilities is an amount of € 4,429,708 which is due to the ultimate parent company. The directors have obtained assurance from the ultimate parent company, Tum Invest Limited, that it will continue to support the company to settle its liabilities as they fall due and will not call for payment of the amount due until finances permit. Therefore, the directors have determined that the company can continue to adopt the going concern basis in preparing these financial statements.

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 are:

- Classification of Liabilities as Current or Non-current (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)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

These amendments do not have a significant impact on these financial statements and therefore no 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 or IFRIC include:

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

None of these Standards or amendments to existing Standards have been adopted early by the group or the company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

With the exception of IFRS 18, these amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made. The group and the company will assess the impact on disclosures from the initial adoption of IFRS 18. IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027. The group and the company are not expected to early adopt this new standard.

4 Material accounting policies

An entity should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the financial statements.

Management has concluded that the disclosure of the group and company's material accounting policies below are appropriate.

4.1 Overall considerations

The material accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies below.

The material accounting policies applied by the group and company are consistent with those used in previous years.

4.2 Presentation of financial statements

The financial statements are presented in accordance with IAS 1 'Presentation of Financial Statements' (Revised 2007). The group and company have elected to present the 'statement of profit or loss and other comprehensive income' in one statement.

4.3 Basis of consolidation

The financial statements consolidate those of the parent company and all of its subsidiaries controlled by the company drawn up to 31 December 2024. Control exists when the company has power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of its returns. In assessing control, potential voting rights that give the Company the current ability to direct the investee's relevant activities are taken into account. All subsidiaries have a reporting date of 31 December.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Intra-group balances, transactions and unrealised gains and losses on transactions between the group companies are eliminated on consolidation. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The separate and consolidated financial statements reflect the financial position and operation of the company and its subsidiaries as listed below (together the 'group').

Entities	Principal activities	Country of incorporation	Ownership interest
Subsidiaries			
TUM Operations Limited	Investment and holding company	Malta	100%
Easysell Limited *(indirectly through TUM Operations Limited)*	Holding and management of immovable property	Malta	100%
San Gwakkin Limited *(indirectly through TUM Operations Limited)*	Property development	Malta	75%
Entities	**Principal activities**	**Country of incorporation**	**Ownership interest**
Subsidiaries			
TUM Developments Limited *(indirectly through TUM Operations Limited)*	Buying and renting of immovable property	Malta	100%
TFL Property Development Limited *(indirectly through TUM Operations Limited)*	Buying and management of immovable property	Malta	100%
TUM Tal-Pajpaj Properties Ltd. *(indirectly through TUM Operations Limited)*	Buying and management of immovable property	Malta	100%
In-Nahal Property Limited *(indirectly through TUM Operations Limited)*	Buying and management of immovable property	Malta	100%
BBT Nigret Properties Ltd. *(indirectly through TUM Operations Limited)*	Buying and management of immovable property	Malta	50%

4.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value added tax and discounts, where applicable. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the group and company, and these can be measured reliably.

To determine whether to recognise revenue, the group and company follow a 5-step process:

1 Identifying the contract with a customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations
5 Recognising revenue when/as performance obligation(s) are satisfied

The following specific recognition criteria must also be met before revenue is recognised:

- rental income from investment property is recognised in profit or loss on a straight-line basis over the lease term;
- expenses and costs incurred to properties are recharged to tenants in the period in which they are incurred; and
- dividend income is recognised on the date when the company's right to receive the payment is established.

Revenue is recognised either at a point in time or over time, when (or as) the group or company satisfy performance obligations by providing the promised services to the customers.

The group and company recognise contract liabilities for consideration received in respect of unsatisfied performance obligations and report these amounts as other liabilities in the statement of financial position. Similarly, if the group and company satisfy a performance obligation before they receive the consideration, the group and company recognise either a contract asset or a receivable in the statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Revenue from the provision of services is recognised when or as the group and company transfer control of the assets to the customer. Control is transferred at a point in time and occurs when the customer takes undisputed delivery of the goods.

Dividend income, other than those from investments in associates, is recognised at the time the right to receive payment is established.

4.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

4.6 Property, plant and equipment

Items of property, plant and equipment are initially recognised at acquisition cost. Subsequently, they are carried at acquisition cost less accumulated depreciation and impairment losses.

Depreciation is calculated, using the straight-line method, to write off the cost of assets over their estimated useful lives on the following bases:

-	Plant and machinery	6.67-25%
-	Office furniture, fittings and equipment	10%

Material residual value estimates and estimates of useful lives are updated as required, but at least annually, whether or not the asset is revalued. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within 'other income' or 'administrative and other operating expenses'.

Subsequent costs are included in the carrying amount of the asset or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss.

4.7 Leases

The group as a lessee

The group considers whether a contract is or contains a lease at inception of a contract. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (underlying asset) for a period of time in exchange for a consideration’. To apply this definition, the group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the group;
- the group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and;
- the group has the right to direct the use of the identified asset throughout the period of use. The group assesses whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

Measurement and recognition of lease

At lease commencement date, the group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the commencement date (net of any incentives received).

The group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use asset has been disclosed with investment property (see note 11) and lease liabilities have been disclosed separately (see note 24).

The group as a lessor

Leases for which the group is a lessor continue to be classified as finance or operating leases. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases. Lease classification is made at the inception of the lease, which is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Leased assets are presented in the statement of financial position according to their nature and are tested for impairment in accordance with the group's accounting policy on impairment. Depreciable leased assets are depreciated in accordance with the group's accounting policy on depreciation. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the leased asset.

Amounts due from lessees under a finance lease are presented in the statement of financial position as receivables at the amount of the group's net investment in the lease and include initial direct costs (unless the finance lease involves manufacturer or dealer lessors). Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group and the company's net investment in the finance lease.

When a contract includes lease and non-lease components, the group applies IFRS 15 to allocate the consideration under the contract to each component.

4.8 Investment property

Investment property is property held to earn rentals and/or for capital appreciation. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably.

Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value at the end of the reporting period. Gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined by a professionally qualified architect/surveyor on the basis of market values.

Investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Rental income and operating expenses from investment property are reported within 'revenue' and 'administrative and other operating expenses'.

4.9 Investments in subsidiaries

Investments in subsidiaries are included in the company's statement of financial position at cost less any impairment loss that may have arisen. Income from investments is recognised only to the extent of distributions received by the company.

At the end of each reporting period, the company reviews the carrying amount of its investments in subsidiaries to determine whether there is any indication of impairment and, if any such indication exists, the recoverable amount of the investment is estimated. An impairment loss is the amount by which the carrying amount of an investment exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss that has been previously recognised is reversed if the carrying amount of the investment exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the investment does not exceed the carrying amount that would have been determined if no impairment loss had been previously recognised. Impairment losses and reversals are recognised immediately in profit or loss.

4.10 Investment in associates

In the consolidated financial statements of the group, subsequent to initial recognition, investment in associates is accounted for using the equity method. Under the equity method, the carrying amount of the investment in associate is adjusted for the share in net income or loss of the associate, dividends received, and other equity movements of the associate. Where the group's share of losses in an associate exceeds its interest in the associate, including any unsecured receivable, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The use of the equity method ceases from the date that significant influence ceases.

An associate is an entity over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Investment in associates is initially recognised at cost, being the fair value of the consideration given, including acquisition charges associated with the investment.

4.11 Business combinations under common control

A business combination under common control is a transaction when the group acquires a company, or brings into the group for consolidation, for which the latter is already under common control by the same ultimate controlling party of the group.

In previous years, TUM Invest Limited, the ultimate parent company, entered into various linked transactions ('restructuring'). The restructuring continued in 2024, which consisted of the following transfers from TUM Operations Limited to other associates. The restructuring is considered a reorganisation of entities under common control because the ultimate parent company retained the same control over the combined resources both before and after the restructuring.

4.12 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the group and company become a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The group and company do not have any financial assets categorised as FVTPL and FVOCI in the periods presented.

The classification is determined by both:

- the entity's business model for managing the financial asset; and

- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the statement of profit or loss and other comprehensive income are presented within 'finance costs' and 'finance income'.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The group and company's cash and cash equivalents, loans due from related parties, and trade and other receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The group and company consider a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and

- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The group's financial liabilities include debt securities in issue, lease liabilities, loans and amounts due to related parties, and trade and other payables.

The company's financial liabilities include debt securities in issue, amounts due to related parties, and trade and other payables.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the group and company designate a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in the income statement are included within ‘finance costs’ or ‘finance income’.

4.13 Fair value of financial assets and liabilities

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

For financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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

4.14 Impairment of non-financial assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash-generating unit’s carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and its value in use. To determine the value in use, the group’s and the company’s management estimates expected future cashflows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cashflows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by the group’s and the company’s management.

Impairment losses are recognised immediately in the statement of profit or loss and other comprehensive income. Impairment losses for cash-generating units are charged pro-rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.15 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised directly in other comprehensive income or equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and any adjustment to tax payable in respect of previous years.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the group and company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in the separate and consolidated statement of profit or loss and other comprehensive income or equity (such as the revaluation of land) in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

4.16 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Use of available information and application of judgement are inherent in making estimates. Actual results in future could differ from such estimates and the differences may be material to the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Except as disclosed below, in the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

Significant management judgement

The following is the significant management judgement in applying the accounting policies of the group that has the most significant effect on the financial statements.

Determining whether an arrangement contains a lease

The group and the company use their judgment in determining whether an arrangement contains a lease, based on the substance of the arrangement and make assessment of whether it is dependent on the use of a specific asset or assets, conveys a right to use the asset and transfers substantially all the risks and rewards incidental to ownership to/from the group and the company.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below. Actual results may be substantially different.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the group and the company. The carrying amounts are analysed in notes 11 and 12. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

Investment property

The group and the company uses the services of professional valuers to revalue the investment properties. The professional valuers consider market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

- A use that is physically possible, takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g., the location or size of a property).
- A use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g., the zoning regulations applicable to a property).

A use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

5 Business combination

On 21 May 2024, the group acquired 1,200 ordinary shares of TUM Developments Limited with a nominal value of €1.00 each from the shareholder. After the acquisition, the group recognised a goodwill of €346,295.

The details of the business combination are as follows:

Recognised amount of identifiable assets and liabilities	**€**
Cash and cash equivalents	2,546
Trade and other receivables	7,804
Amounts due from related parties	11,364
Investment in associates	300
Property, plant and equipment	69,968
Other assets	596,873
Total assets	**688,855**
Trade and other payables	130,996
Amounts due to related parties – current	902,954
Total liabilities	**1,033,950**
Net liability acquired	**(345,095)**
Less: Fair value of consideration transferred	**(1,200)**
Goodwill	**(346,295)**

On 1 July 2024, TUM Developments Limited issued and allotted 448,800 ordinary shares with a nominal value of €1.00 each and 1,146,000 5.32% redeemable preference shares at €1.00 each to the group in which all shares are fully paid.

6 Revenue

	Group	Company

	2024	2023	2024	2023
	€	€	€	€
Rent income	1,869,397	1,771,121	-	-
Ordinary shares' dividend	-	-	420,000	350,000
Preference shares' dividend	-	-	275,321	238,125
Other income	-	1,921,629	-	-
	1,869,397	**3,692,750**	**695,321**	**588,125**

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, being Malta. Accordingly, no segment disclosures are being presented.

7 Administrative and other operating expenses

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Auditor's remuneration (refer to note below)	41,450	40,500	19,753	23,150
General and other expenses	288,898	59,972	2,286	8,843
Advertising and marketing	20,012	1,151	1,151	1,151
Licenses and fees	40,387	9,544	35,167	7,894
Legal and professional fees	142,690	65,031	72,168	54,237
Directors' fees	48,000	36,000	48,000	36,000
Depreciation	61,418	60,671	-	-
Salaries and wages	233,963	161,840	-	-
Fines and penalties	966	792	-	-
Insurance	29,114	19,084	-	-
Water and Electricity	-	186,053	-	-
Provision for bad debts	1,275	-	-	-
	908,173	**640,638**	**178,525**	**131,275**

The group had an average of 6 (2023: 5) employees during the year under review.

Remuneration paid to the auditors includes fees paid by the group amounting to €2,850 (Company: €1,180) for tax compliance services.

8 Finance income

The following amounts may be analysed as follows for the reporting periods presented:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Interest income	50,643	14,055	467,260	465,984
Finance income	**50,643**	**14,055**	**467,260**	**465,984**

9 Finance costs

The following amounts are analysed as follows for the reporting periods presented:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€

Bank charges	44,468	35,799	271	354
Interest on bank loans	44,941	-	-	-
Interest on debt securities in issue	849,287	794,489	849,287	794,489
Interest on lease liabilities	10,566	10,538	-	-
Others	4,583	14,477	-	-
	953,845	**855,303**	**849,558**	**794,843**

10 Tax expense

The relationship between the expected tax (income) expense based on the effective tax rate of the group and the company at 35% (2023: 35%) and the actual tax expense recognised in the statement of profit or loss and other comprehensive income can be reconciled as follows:

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
(Loss) profit before tax	(178,881)	2,097,251	134,498	127,991
Tax rate	35%	35%	35%	35%
Expected tax (income) expense	**(62,608)**	**734,038**	**47,074**	**44,797**
Adjustments for:				
Non-deductible expenses	1,223,308	511,158	196,288	161,047
Non-taxable income	(254,383)	(2,010,401)	(243,362)	(205,844)
Refund under full imputation system	(23,773)	(173,364)	-	-
Income taxed on different basis at different rates	414,677	(36,783)	-	-
Other permanent difference arising on consolidation	-	1,370,792	-	-
Actual tax expense, net	**1,297,221**	**395,440**	**-**	**-**
Composed of:				
Current tax expense	1,010,846	394,098	-	-
Deferred tax expense	286,375	1,342	-	-
	1,297,221	**395,440**	**-**	**-**

11 Investment property

Details of the group's investment property and their carrying amounts are as follows:

	Building	**Right-of-use asset**	**Total**
	€	**€**	**€**
Cost			
At 1 January 2024	30,313,033	195,452	30,508,485
Additions resulting from subsequent expenditure	49,127,101	-	49,127,101
At 31 December 2024	**79,440,134**	**195,452**	**79,635,586**
At 1 January 2023	65,217,399	195,452	65,412,851
Additions resulting from subsequent expenditure	137,323	-	137,323
Disposal as a result of discontinued operations	(35,041,689)	-	(35,041,689)
At 31 December 2023	**30,313,033**	**195,452**	**30,508,485**
Accumulated Depreciation			
At 1 January 2024	-	8,034	8,034

Depreciation for the year	-	1,611	1,611
At 31 December 2024	**-**	**9,645**	**9,645**
At 1 January 2023			
Depreciation for the year	-	6,427	6,427
At 31 December 2023	-	1,607	1,607
	-	**8,034**	**8,034**
Carrying amount			
At 31 December 2024	**79,440,134**	**185,807**	**79,625,941**
At 31 December 2023	**30,313,033**	**187,418**	**30,500,451**

Additions to investment property for the year consisted of new properties acquired and 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 most recent valuation has been reflected in the 2020 financial statements. Management obtained an updated valuation on 31 December 2022, showing a fair value of €30,945,219.

For property held, the current use equates to the highest and best use. Rental income derived from the investment property amounted to €1,748,436 (2023: €1,771,121). Direct operating expenses were incurred in the generation of this rental income amounted to € 270,753 (2023: €534,918).

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 investment property has been determined to fall within Level 3 of the fair valuation hierarchy. The different levels in the fair value hierarchy are defined in Note 4.13.

The group'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 transfer between levels during the year.

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). Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities 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 used as a benchmark for the calculation of the terminal value.

	Valuation technique	Significant unobservable inputs	Range	Narrative sensitivity
Investment property	Income approach	Discount rate	6%	The higher the discount rate, the lower the fair value
		Rental value per square meter	€ 93	The higher the price per square meter, the higher the fair value

	Rent growth per annum	2.90%	The higher the rent growth, the higher the fair value

Sensitivity analysis	**Change in rate**	**Change in value EUR'million**
Discount rate sensitivity	1%/(1%)	(5.6)/8.5
Rental value per square meter sensitivity	+5%/(5%)	1.5/1.5

12 Property, plant and equipment

Group

	Plant and machinery equipment	**Office furniture, fittings and equipment**	**Asset under construction**	**Total**
	€	**€**	**€**	**€**
Cost				
At 1 January 2024	319,159	84,903	8,251,055	8,655,117
Additions	15,611	35,335	6,122,599	6,173,545
Additions through business combination	-	28,796	-	28,796
At 31 December 2024	**334,770**	**149,034**	**14,373,654**	**14,857,458**
At 1 January 2023	128,741	99,545	-	228,286
Additions	252,695	18,596	8,251,055	8,522,346
Disposals as a result of discontinued operations	(62,277)	(33,238)	-	(95,515)
At 31 December 2023	**319,159**	**84,903**	**8,251,055**	**8,655,117**
Accumulated depreciation				
At 1 January 2024	73,972	14,106	-	88,078
Depreciation	35,280	24,528	-	59,808
At 31 December 2024	**109,252**	**38,634**	**-**	**147,886**
At 1 January 2023	90,180	20,262	-	110,442
Depreciation	43,219	8,531	-	51,750
Disposals	(59,427)	(14,687)	-	(74,114)
At 31 December 2023	**73,972**	**14,106**	**-**	**88,078**
Carrying amount				
At 31 December 2024	**225,518**	**110,400**	**14,373,654**	**14,709,572**
At 31 December 2023	**245,187**	**70,797**	**8,251,055**	**8,567,039**

13 Investment in subsidiary

	2024	**2023**
	€	**€**
Cost		
Investment in subsidiary	20,074,623	20,074,623
Carrying amount as at 31 December	**20,074,623**	**20,074,623**

The registered office of the subsidiary is TUM Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi, QRM 9010, Malta. The principal place of business is Malta. The aggregate amount of capital and reserves and the results of the subsidiary for the year 2024 are as follows:

	Capital and reserves	Profit for the year
	€	€
TUM Operations Limited (audited)	25,749,083	4,547,214

	Proportion of ownership of interest	
	2024	2023
	%	%
TUM Operations Limited	100%	100%

In 2024, TFL Property Development Limited, TUM Tal-Pajpaj Properteries Ltd, In-Nahal Property Limited and BBT Nigret Properties Ltd, were incorporated as part of the group and issued 1,200 ordinary shares each (600 shares issued by BBT Nigret Properties Ltd.) with a nominal value of € 1.00. These companies formed as subsidiaries of the group indirectly through TUM Operations Limited.

In 2024, TUM Developments Limited issued a total of 448,800 ordinary shares with a nominal value of €1.00 each to the group indirectly through TUM Operations Limited. See note 5.

On 6 June 2023, the group entered into a multi-transfer joint venture agreement to sell the shares of Center Parc Holdings Ltd owned by the group indirectly through TUM Operations Limited to BBT plc at a consideration of €17,268,488.

Prior to this agreement, Center Parc Holdings Ltd owed Tum Operations Limited €13,000,000. The group and BBT plc entered into an assignment agreement to assign and transfer to the latter, shares in Center Parc Holdings Ltd for a consideration of €7,000,000. This amount was paid by BBT plc by means of an issue and allotment of 10,164 Ordinary ‘A’ Shares in BBT plc. The shares were issued at their nominal value of €1.00 each plus a premium of €687.70523415978 per share. The remaining €6,000,000 were paid in cash by Center Parc Holdings Ltd.

At 31 December 2023, management has decided to put Center Parc Development Limited (an indirect subsidiary of the company through Tum Operations Limited) into liquidation.

The financial statements of San Gwakkin Limited, TUM Developments Limited, TFL Property Limited, and In-Nahal Property Limited (indirect subsidiaries through TUM Operations Limited) have been prepared in accordance with the accountancy profession (General Accounting Principles for Small and Medium-sized entities) Regulation, 2015.

14 Investment in associates

Details of each of the group’s associates as at 31 December 2024 are as follows:

Name	Principal activities	Registered address	Equity interest (%)	Associates contributed on/ acquired
BBT Logistics Limited (C100580)	Property developer	The Watercourse, Zone 2, Central Business District, Mdina Road, Birkirkara, CBD 2010	50.00%	15-Jun-22
BBT plc (C101666)	Financing company	The Watercourse, Zone 2, Central Business District, Mdina Road, Birkirkara, CBD 2010	36.23%	07-Apr-22

BBTF Holdings Limited (C103180)	Financing company	The Watercourse, Zone 2, Central Business District, Mdina Road, Birkirkara, CBD 2010	32.38%	06-Sep-22

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

	2024	**2023**
	€	**€**
Carrying amount of investment in associate	28,332,866	25,082,822
Receivables	54,800	4,535,753
	28,387,666	**29,618,575**

The following table illustrates the summarised financial information of the group's investment in its associates.

	BBT Logistics Limited	**BBT plc**	**BBTF Holdings Limited**	**Total**
	€	**€**	**€**	**€**
At 31 December 2024				
Current assets	611,472	8,879,694	6,200	9.497,366
Non-current assets	11,554,086	99,354,872	6,261,704	117,170,662
Current liabilities	(8,397,079)	(3,567,817)	(1,563,965)	(13,528,861)
Non-current liabilities	(4,244,232)	(30,609,012)	(5,000,000)	(39,853,244)
Equity	(475,753)	74,057,737	(296,061)	73,285,923
Group's share in equity*	(237,876)	26,830,438	(95,864)	26,496,698
Cumulative unrecognised share of losses in associates	-	-	95,864	95,864
Prior year adjustment on carrying amount of investment	2,100,600	-	-	2,100,600
Unrecognised share in movement of associate's equity**	-	(360,296)	-	(360,296)
Company's carrying amount of the investment	**1,862,724**	**26,470,142**	**-**	**28,332,866**
Revenue	-	2,827,913	-	
Profit (loss) for the year	(54,148)	756,504	(295,120)	
Total comprehensive loss	(54,148)	756,504	(295,120)	
Group's share of profit (loss) for the year	(27,074)	274,074	(95,560)	
Effect of changes in prior year balances of associates***	3,034	-	77,755	
Cumulative prior year unrecognised losses	(213,836)	-	-	
Recognised share of losses	(237,876)	-	-	
Unrecognised share of profit (losses) in the associate for the year	-	274,074	(17,805)	

**Where the Group's share of losses in associate equals or exceeds its interest in the associate, including any unsecured receivable, the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.*

***The latest financial information available for BBT plc is for the period ended 30 September 2024, hence, any change in the associate's equity will not be reflected in the Group's financial statements until financial information as at 31 December 2024 is made available.*

**** The associates' financial information are unaudited as at report date, hence, there were adjustments made subsequent to the Group's report date.*

On 17January 2024, the group transferred 750 ordinary shares of Develeco Malta Limited with a nominal value of €1.00 each share to BBT Plc, an associate, in exchange of additional 1,270 ordinary shares of the latter. This resulted to a goodwill of €202,214.

On 24 January 2024, the group transferred the shareholdings in associates MOSM Ltd, Missag Ltd and Regeneration Projects Ltd to BBT Logistics Limited for a consideration of €1,800.

	Merged entities	Develeco Malta Limited	BBT plc	BBTF Holdings Limited	Total
	€	€	€	€	€
At 31 December 2023					
Current assets	7,801,943	169,596	3,842,977	6,200	11,820,716
Non-current assets	9,490,232	6,632,144	89,613,707	5,743,184	111,479,267
Current liabilities	(8,530,807)	(6,636,384)	(1,936,399)	(990,457)	(18,094,047)
Non-current liabilities	(9,378,656)	-	(21,484,697)	(5,000,000)	(35,863,353)
Equity	(617,288)	165,356	70,035,588	(241,073)	69,342,583
Group's share in equity*	(213,836)	82,678	25,160,019	(78,059)	24,950,802
Cumulative unrecognised share of losses in associates	213,836	-	(159,875)	78,059	132,020
Company's carrying amount of the investment	**-**	**82,678**	**25,000,144**	**-**	**25,082,822**
Revenue	1,600,000	386,706	1,745,063	-	
Profit (loss) for the year	(174,643)	107,466	465,264	(244,542)	
Total comprehensive income (loss)	(174,643)	107,466	465,264	(244,542)	
Group's share of profit (loss) for the year	(47,036)	53,733	167,144	(79,183)	
Effect of changes in the prior balances of associates	-	-	-	-	
Recognised cumulative prior year unrecognised losses	-	(13,953)	(159,875)	-	
Recognised share of profit (loss)	-	39,780	7,269	(787)	
Unrecognised share of losses in the associate for the year	(47,036)	-	-	(79,970)	

**Where the Group's share of losses in associate equals or exceeds its interest in the associate, including any unsecured receivable, the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate*

15 Loans due from related parties

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Non-current:				
Loan receivable from subsidiary	-	-	9,222,222	10,765,910
Cumulative redeemable preference shares	-	-	17,950,000	6,350,000
Loan receivable from other related party	325,000	325,000	-	-
	325,000	**325,000**	**27,172,222**	**17,115,910**
Current:				
Loan receivable from subsidiary	-	-	4,239,170	2,228,222

	-	-	**4,239,170**	**2,228,222**

The loan receivable from subsidiary is unsecured and subject to interest rate of 3.75% per annum. € 7,250,000 is repayable in nine equal instalments paid annually on the 20 June with the first instalment paid on 20 June 2021. The remaining portion is payable by 20 June 2029.

The preference shares of € 6,350,000 are entitled to a fixed cumulative preferential dividend of 3.75%. The company may redeem any or the whole amount of the outstanding preference shares at any time, but not later than 30 June 2029.

The preference shares of € 11,600,000 are entitled to a fixed cumulative preferential dividend of 5.32%. the company may redeem any or the whole amount of the outstanding preference shares at any time, but not later than 22 November 2034.

Loan receivable from other related party, bears interest at 3.75% are unsecured, and repayable in June 2029.

16 Other assets

	Group		Company	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Non-current:				
Deposits on property	**1,558,943**	**-**	**-**	**-**

Deposits are advances made by the group to property sellers to secure the sale of the properties. These deposits will form part of the total contract price of the sale of the properties.

17 Goodwill

	Group		Company	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Acquired through:				
Business combination	346,295	-	-	-
	346,295	**-**	**-**	**-**

The group acquired a subsidiary with a net liability of €345,095. The fair value of the consideration received amounted to €1,200, resulting to a goodwill of €346,295. See note 5.

18 Amounts due from related parties

	Group		Company	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Amounts due from ultimate parent company	659,242	696,251	-	-
Amounts due from other related companies	605,200	-	1,570,799	1,417,938
Amounts due from ultimate shareholder	3,221,795	4,119,298	-	-
	4,486,237	**4,815,549**	**1,570,799**	**1,417,938**

The amounts due from ultimate parent, group and other related parties are unsecured, interest free, and repayable on demand.

19 Trade and other receivables

	Group		Company	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Trade and other receivables	164,514	214,124	-	-
Prepayments and others	128,391	47,546	12,241	6,251
	292,905	**261,670**	**12,241**	**6,251**

Trade receivables are non-interest bearing and generally have credit terms of 30 days. As at 31 December, no receivable balance was past due. No allowance for expected credit losses was provided for during 2023 and 2024.

20 Cash and cash equivalents

Cash and cash equivalents include the following components:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Cash on hand	1,947	-	-	-
Cash in bank	8,072,375	845,721	22,408	4,602
Cash and cash equivalents	**8,074,322**	**845,721**	**22,408**	**4,602**

The group and the company did not have restrictions on cash at bank at year-end.

21 Equity

21.1 Share capital

	2024	2023
	€	**€**
Authorised share capital		
20,000,000 ordinary shares of € 1.00 each	**20,000,000**	**20,000,000**
Issued and paid-up capital		
17,693,000 ordinary shares of € 1.00 each	**17,693,000**	**17,693,000**

21.2 Retained earnings

The reserve represents accumulated retained profits.

21.3 Capital contributions

€ 2,456,016 (2023: € 2,456,016) are amounts due to the parent which are repayable exclusively at the option of the borrower. These amounts are unsecured and interest free.

€ 1,459,795 (2023: €1,459,795) relates to capital contribution as at acquisition of the associates during 2023.

21.4 Other reserves

Reserve emerging on the common control acquisition of Easysell Limited on 25 April 2019.

22 Debt securities in issue

	2024	2023
	€	**€**

Non-current		
Bonds in issue	**31,432,179**	**19,702,894**
Current		
Bonds in issue	**398,111**	**391,081**

In 2019, the group and the company issued an aggregate principal amount of € 20 million bonds (2019-2029), having a nominal value of € 100 each, bearing interest at the rate of 3.75% per annum. These bonds are secured by Easysell Limited (hereinafter 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 31 December 2024 for the 3.75% Bonds (2019-2029) was €98.20 (2023: €96.00).

The guarantor provided a corporate guarantee in favour of the company's bondholders to effect the due and punctual performance of all payment obligations undertaken by the company under the bonds if it fails to do so.

In 2024, the company issued an aggregate principal amount of €12 million bonds (2024 - 2034), having a nominal value of €100 each and bearing interest of 5.20% per annum. The bond is subject to the terms and conditions in prospectus dated 1 November 2024. The quoted market price as at 31 December 2024 for the bond was €103.

The carrying amount of the bonds is net of issue costs which are being amortised over the life of the bonds.

	2024	**2023**
The group and company	**€**	**€**
Proceeds	32,000,000	20,000,000
Less:		
Issue costs	(830,759)	(465,858)
Accumulated amortisation	262,938	168,752
	31,432,179	19,702,894
Accrued interest	398,111	391,081
	31,830,290	**20,093,975**

23 Deferred tax liability

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Opening balance	3,031,303	5,751,403	-	-
Recognised in P&L	286,375	1,342	-	-
Derecognition on discontinued operations	-	(2,721,442)	-	-
Closing balance	**3,317,678**	**3,031,303**	**-**	**-**

The deferred tax liability arose mainly upon the revaluation of investment property.

24 Lease liabilities

Group as a lessee

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

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**

Non-current	191,736	191,737	-	-
	191,736	**191,737**	**-**	**-**

	2024	**2023**
	€	**€**
As at 1 January	191,737	191,764
Accretion of interest	10,566	10,538
Payments	(10,567)	(10,565)
Amounts included in non-current liabilities	**191,736**	**191,737**

The total cash outflow for leases amounted to € 10,565 for the year 2024 (2023: € 10,565). The amounts recognised in the statement of profit or loss and other comprehensive income as depreciation and interest expense are disclosed in notes 7 and 9 respectively. No other charges in relation to leases were recorded in the statement of profit or loss and other comprehensive income.

The maturity analysis of undiscounted lease liabilities is presented below:

	2024	**2023**
	€	**€**
Within one year	10,567	10,565
Between two to five years	42,262	42,262
After five years	1,141,058	1,151,629
	1,193,887	**1,204,456**

Right-of-use assets	**No of right-of-use assets leased**	**Range of remaining term**	**Average remaining lease term**	**No of leases with extension options**	**No of leases with termination options**
Leased property	1	113 years	113 years	-	1

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2024 for the group are as follows:

	Minimum lease payments			
	Later than one			
	Not later than one year	**Later than one year but not later than five years**	**Later than five years**	**Total**
	€	**€**	**€**	**€**
31-December 2024				
Lease payments	10,567	42,262	1,141,058	1,193,887
Finance charges	(10,536)	(42,159)	(949,456)	(1,002,151)
Net present values	**31**	**103**	**191,602**	**191,736**

	Minimum lease payments			
	Later than one			
	Not later than one year	**Later than one year but**	**Later than five years**	**Total**

		not later than five years		
	€	€	€	€
31-December 2023				
Lease payments	10,565	42,262	1,151,626	1,204,453
Finance charges	(10,565)	(42,165)	(959,986)	(1,012,716)
Net present values	**-**	**97**	**191,640**	**191,737**

Group as a lessor

The group has entered into operating leases on its investment properties consisting of offices and warehouses and retail complex. These leases have terms of between 5 and 20 years. Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2024	**2023**
	€	**€**
Within one year	1,373,234	1,734,980
Between one and two years	1,427,970	1,554,910
Between two and three years	1,427,970	1,532,895
Between three and four years	1,363,474	1,511,412
Between four and five years	1,417,723	1,482,288
More than five years	3,172,931	1,489,275
	10,183,302	**9,305,760**

25 Bank loan and overdraft

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Non-current				
Bank loan	**23,464,593**	**5,215,927**	**-**	**-**
Current				
Bank overdraft	456,874	-	-	-
Bank loan	30,932	-	-	-
	487,806	**-**	**-**	**-**

The group has a loan facility amounting to € 11,460,400 of which € 8,451,625 (2023: € 5,215,927) has been utilised. The loan facility bears interest at a margin of 3.25% per annum and is payable monthly from the first drawdown.

The bank loan is secured by a first general hypothec of € 11,460,400 over the present and future assets of the group, first special hypothec for €11,460,400 and special privilege for the fullest amount possible by the group over the group’s current plot of land, a pledge of €250,000 on the savings account held by the group and corporate guarantees given by related companies.

The bank loan is for a fixed term of 16 years and a capital moratorium is allowed during the first three years from the first drawdown; thereafter, an agreed capital repayment is payable for the remaining term.

On 4 September 2024, the group entered into a loan agreement with a bank for a credit facility of €18,300,000 to finance the purchase of the divided portion of land known as Tan-Nigret or Tal-Harruba in Zurrieq and to assist with the development of part of the site, which is to be developed into 3 blocks comprising residential units and garages. The loan bears interest at 4.75% and repayable in full by 8 October 2029.

On 15 October 2024, the group entered into a business loan with a bank for a credit facility of €1,250,000 to finance the purchase and installation of furniture, fittings and equipment for Risparmio Casa Malta Limited, indirectly through TUM Developments Limited. The loan is payable within 8 years from the first date of drawdown and shall have a moratorium period of 12 months. Interest on the facility shall be determined by the bank from time to time at its sole discretion.

On 15 October 2024 the group entered into a business overdraft agreement with a bank for a facility of € 1,800,000. The facility will be used for working capital requirements. The facility bears interest at 4.95% per annum and the term is for an indefinite period of time.

26 Loans due to related parties

	Group		Company	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Non-current				
Loan payable to ultimate parent company	**23,471,007**	**1,756,007**	**-**	**-**

On 4 September 2023, TUM Operations Limited acquired Hotel VIU57 located at Triq Dun Belin Azzopardi, Mellieha, Malta for an amount of € 1,756,007 from TUM Invest Ltd. The contract price was recognised as a loan payable and is due for a full repayment on 29 May 2029, without any interest.

Loan payable to ultimate parent company in 2023 bears interest at 4.75%, is unsecured and repayable on demand.

On 7 October 2024, the group entered into a deed of sale of €21,715,000 with TUM Invest Limited, the ultimate parent, to purchase a property from third parties.

27 Trade and other payables

Trade and other payables recognised in the statements of financial position can be analysed as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Trade and other payables	2,102,475	729,054	200,025	12,880
Accruals and deferred income	326,906	24,000	49,485	29,601
	2,429,381	**753,054**	**249,510**	**42,481**

Short term financial liabilities are carried at their nominal value which is considered a reasonable approximation of fair value.

28 Amounts due to related parties

Amounts due to related parties recognised in the statements of financial position can be analysed as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Amounts due to ultimate parent company	1,070,452	527,406	7,658	5,258
Amounts due to other related companies	10,829,832	1,320,372	122,247	55,280
Amounts due to ultimate shareholder	167,240	429,223	-	-

12,067,524	**2,277,001**	**129,905**	**60,538**

The amounts owed to ultimate parent company, ultimate shareholder and other related companies are unsecured, interest-free and repayable on demand.

29 Cash flow adjustments and changes in working capital

The following cash flow adjustments and changes in working capital have been made to (loss) profit before tax to arrive at operating cash flow:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Adjustments:				
Depreciation	61,419	53,357	-	-
Finance costs	858,762	855,303	848,198	794,843
Finance income	(50,643)	(14,055)	(467,260)	(465,984)
Dividend income	-	-	(695,321)	(588,125)
Goodwill	(346,295)	-	-	-
Recognised cumulative share in (losses) profits in associates	(210,803)	159,875	-	-
Share of loss in associates	(27,074)	(46,263)	-	-
Gain from bargain purchase	-	(884,301)	-	-
Gain from disposal of hotel	-	(892,073)	-	-
Other	100,352	-	-	-
	385,718	**(768,157)**	**(314,383)**	**(259,266)**
Net changes in working capital:				
Trade and other receivables	19,408	(8,440,775)	536,470	1,541,676
Trade and other payables	23,364,460	13,172,177	278,325	(2,690)
	23,383,868	**4,731,402**	**814,795**	**1,538,986**

30 Related party transactions

TUM Finance plc is a direct parent of TUM Operations Limited and the ultimate parent of Easysell Limited and San Gwakkin 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 QRM 9010, Malta. The ultimate controlling party is Anthony Fenech.

	2024	**2023**
	€	**€**
Group		
Rental income	1,051,144	991,700
Company		
Finance income	467,260	465,984
Dividend income	695,321	588,125

As at 31 December 2024 and 2023, the company had outstanding balances with the shareholders and other related parties. The amounts due to these specific categories of related parties and shareholders are disclosed in notes 15, 18, 26, and 28. The terms and conditions in respect of these balances do not specify the nature of the consideration to be provided in settlement. No guarantees have been given or received in 2024.

Directors' fees are disclosed in note 7.

31 Financial instrument risk

Risk management objectives and policies

The exposures to risk and the way risks arise, together with the group and company's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

The objectives, policies, and processes for managing financial risks and the methods used to measure such risks are subject to continuous improvement and development.

Where applicable, any significant changes in the group and company's exposure to financial risks or the manner in which the group and company manage and measure these risks are disclosed below.

Where possible, the group and company aim to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

The most significant financial risks to which the group and the company are exposed are described below. See also note 31.4 for a summary of the group and the company's financial assets and liabilities by category.

31.1 Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss for the group and company by failing to discharge an obligation. Financial assets which potentially subject the group and company to concentrations of credit risk consist principally of amounts due from related parties, trade and other receivables and cash at bank.

The group and 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:

		Group		Company	
	Notes	2024	2023	2024	2023
		€	€	€	€
Classes of financial assets - carrying amounts					
Non-current assets					
Loans due from related parties	15	**325,000**	**325,000**	**27,172,222**	**17,115,910**
Current assets					
Loans due from related parties	15	-	-	4,239,170	2,228,222
Amounts due from related parties	18	4,486,237	4,815,549	1,570,799	1,417,938
Trade and other receivables	19	164,514	214,124	-	-
Cash and cash equivalents	20	8,074,322	845,721	22,408	4,602
		12,725,073	**5,875,394**	**5,832,377**	**3,650,762**

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk with respect to receivables is limited due to credit control procedures and the minimal balance outstanding at year-end. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for customers with similar loss patterns (i.e., by customer type). The analysis did not result in material amounts and the group did not recognise any impairment allowance on trade receivables.

In measuring credit losses, the loans and amounts due from related parties have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. The group and company assess the credit quality of these related parties by taking into account financial position, performance and other factors. Management takes cognisance of the related party relationship with these entities and settlement arrangements in place and does not expect any losses from non-performance or default.

The group and company have bank accounts with local institutions. At 31 December 2024, the group and company held cash and cash equivalents amounting to €8,074,322 and €22,408 (2023: €845,721 and €4,602) respectively with local counterparties with credit ratings of A-1, A-2 and BBB- (2023: A-1, A-2 and BBB-) and are callable on demand. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be insignificant to the group and company.

Carrying amount of financial assets recorded in the financial statements represents the group and company's maximum exposure to credit risk, as detailed below.

None of the group and company's financial assets are secured by collateral or other credit enhancements.

31.2 Liquidity risk

The group and the company's exposure to liquidity risk arises from their obligations to meet their financial liabilities, which comprise, debt securities in issue, lease liabilities, bank loan, loans due to related parties, trade and other payables, and amounts due to other related parties (see notes 20, 22, 23, 24, 25, and 26). Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the group and company's obligations when they become due.

Management monitors liquidity risk by means of cash flow forecasts on the basis of expected cash outflows over a twelve-month period and over a long-term period in relation to the development and completion of the group's investment property. This approach ensures that the project is adequately financed and that no additional financing facilities are expected to be required over the coming year.

At 31 December 2024, the group and the company's financial liabilities have contractual maturities which are summarised below:

31 December 2024 – group	**Current**	**Non-current**	
	Within 1 year	**2 to 5 years**	**Later than 5 years**
	€	**€**	**€**
Debt securities in issue	398,111	-	31,432,179
Bank loan	487,806	512,968	22,951,625
Loans due to related parties	-	-	23,471,007
Lease liabilities	-	-	191,736
Amounts due to related parties	12,067,524	-	-
Trade and other payables	2,102,475	-	-
	15,055,916	**512,968**	**78,046,547**
31 December 2024 – company			
Debt securities in issue	398,111	-	31,433,179
Amounts due to related parties	129,905	-	-
Trade and other payables	200,025	-	-
	728,041	**-**	**31,433,179**

This compares to the maturity of the group and company's financial liabilities in the previous reporting period as follows:

31 December 2023 – group	**Current**	**Non-current**	
	Within 1 year	**2 to 5 years**	**Later than 5 years**

	€	€	€
Debt securities in issue	391,081	-	19,702,894
Loans due to related parties	-	-	1,756,007
Lease liabilities	-	-	191,737
Amounts due to related parties	2,277,001	-	-
Trade and other payables	729,054	-	-
	3,397,136	**-**	**21,650,638**

31 December 2023 – company

	Current	**Non-current**	
	within 1 year	**2 to 5 years**	**later than 5 years**
	€	**€**	**€**
Debt securities in issue			
Amounts due to related parties	391,081	-	19,702,894
Trade and other payables	60,538	-	-
	12,880	-	-
	464,499	**-**	**19,702,894**

The above amounts reflect the contractual undiscounted cash flows which may differ from the carrying amounts of liabilities at the reporting date.

31.3 Market risk

Foreign currency risk

The group and company are not exposed to foreign currency risk. Exposure to currency exchange rates mainly arises from the group and company's purchases from foreign suppliers.

Due to the fact that most foreign currency transactions are denominated in Euro, the group and company's exposure to currency fluctuations are minimal.

Interest rate risk

The group has taken out bank facilities directly from a bank to finance the construction and development of its investment property (see note 25). The group and the company have issued bonds and the terms of bonds and interest rate is disclosed in note 22. In addition, the group and the company have also taken loans from shareholders and related companies, which are interest-free and repayable on demand.

31.4 Summary of financial assets and liabilities by category

The carrying amounts of the group and the company's financial assets and liabilities as recognised at the end of the reporting periods under review may also be categorised as follows. See note 4.16 for explanations about how the category of financial instruments affects their subsequent measurement.

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Financial assets measured at amortised cost				
Non-current asset				
Loans due from related parties	**325,000**	**325,000**	**27,172,222**	**17,115,910**
Current assets				
Loans due from related parties	-	-	4,239,170	2,228,222
Amounts due from related parties	4,486,237	4,815,549	1,570,799	1,417,938
Trade and other receivables	164,514	214,124	-	-

Cash and cash equivalents	8,074,322	845,721	22,408	4,602
	12,725,073	**5,875,394**	**5,832,377**	**3,650,762**
Financial liabilities measured at amortised cost				
Non-current liabilities				
Debt securities in issue	31,432,179	19,702,894	31,432,179	19,702,894
Bank loan	23,464,593	5,215,927	-	-
Lease liabilities	191,736	191,737	-	-
Loans due to related parties	23,471,007	1,756,007	-	-
	78,559,515	**26,866,565**	**31,432,179**	**19,702,894**
Financial liabilities measured at amortised cost				
Current liabilities				
Debt securities in issue	398,111	391,081	398,111	391,081
Bank loan	487,806	-	-	-
Amounts due to related parties	12,067,524	2,277,001	129,905	60,538
Loans due to related parties	-	-	-	-
Trade and other payables	2,102,475	729,054	200,025	12,880
	15,055,916	**3,397,136**	**728,041**	**464,499**

32 Capital management policies and procedures

The group and company's objective when managing capital is to safeguard their ability to continue as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group and company consist of shareholders' loans disclosed in note 21 and the items presented within equity in the statement of financial position.

The company's directors manage the company's capital structure and make adjustments to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis. Based on recommendations of the directors, the company balances its overall capital structure through the new share issues as well as the issue of new debt.

33 Post-reporting date events

There were no adjusting or other significant non-adjusting events between the end of the reporting period and the date of authorisation.

Independent auditor's report

To the shareholders of TUM Finance plc

Report on the audit of the separate and consolidated financial statements

Opinion

We have audited the separate and consolidated financial statements of TUM Finance plc [(the "Company") and its subsidiaries (the "Group")], set on pages 14 to 50, which comprise the separate and consolidated statements of financial position as at 31 December 2024, the separate and consolidated statements of profit or loss and other comprehensive income, the separate and consolidated statements of changes in equity and the separate and consolidated statements of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the separate and consolidated financial position of the Company and the Group as at 31 December 2024, and of the separate and consolidated financial performance and the separate and consolidated cash flows of the Company and the Group for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (“IFRS”), and the Companies Act, Cap. 386 of the Laws of Malta (the “Companies Act”).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the Companies Act. Our responsibilities under those standards and under the Companies Act are further described in the Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 of the Laws of Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the separate and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate and consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate and consolidated financial statements.

Valuation of Investment Property – Consolidated financial statements

The group measures its investment property at fair value as described and disclosed in notes 4.8, 4.16, and 11. As at reporting period end, the investment property represents 65% of the total assets of the group. The valuation of the investment properties, undertaken under the income approach, involves significant judgement and is highly dependent on a range of estimates made by management and external valuers relating to rental income, discount rates and rent growth per annum.

Due to the significance of the value of the investment property to the group, and the estimation uncertainty involved in its measurement, we have considered the valuation of investment property as a key audit matter.
The directors obtained a valuation from an independent architect dated 31 December 2022. Management determined that this valuation is still valid for the year under review and fairly represents the fair value of its investment property as at 31 December 2024.

Our procedures focused on the valuation process and included the following:

- assessed the competency and independence of the professional valuers engaged by the Group;
- tested the accuracy and completeness of rental income, being the key data input used in the valuation model, against the underlying detailed accounting records and rental agreements; and
- involved a specialist in our team to assess the continued reasonableness from prior year, of the appropriateness of the valuation methodologies used against general accepted market practices

and of the key assumptions, including discount rate, rental value per square metre and rent growth per annum, by benchmarking against comparable market data.

The methods and assumptions used in determining the fair value of the investment property is fully described in note 11.

Recoverability of loans receivable from related companies – Separate financial statements

The loans due from related parties of the company are classified as financial assets at amortised cost and measured using the effective interest method and are subject to impairment as described in note 4.12. As at the reporting period end the loans receivable from related companies represent 57% of the total assets of the Company.

The recoverability assessment of loans receivable considers the financial position and performance of the related borrowers for the reporting period as well as the cash flow projections for such companies.

Due to the significance of the balances of loans due from related parties, and the dependency of the company on the performance and recoverability of such loans to meet its ongoing obligations, we have considered the recoverability of the loans due from related parties as a key audit matter. Our audit procedures over the recoverability of the loans due from related parties included among others:

- inspecting the agreements, agreeing terms and conditions and assessing compliance therewith;
- confirming the outstanding balances with related companies; and
- evaluating the company's assessment of the recoverability of loans receivable by reference to the underlying financial position and projected cash flows of the subsidiaries.

We have also assessed the relevance and adequacy of disclosures relating to loans due from related companies presented in note 15 to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report shown on pages 2 to 3 which we obtained prior to the date of this auditor's report but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon other than our reporting on other legal and regulatory requirements.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Act.

Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the separate and consolidated financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Act.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of those charged with governance for the separate and consolidated financial statements

The directors are responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRS and the requirements of the Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Auditor's responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Matters on which we are required to report by the Companies Act

Directors' report

We are required to express an opinion as to whether the directors' report has been prepared in accordance with the applicable legal requirements. In our opinion the directors' report has been prepared in accordance with the Companies Act.

In addition, in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' report. We have not nothing to report in this regard.

Other requirements

We also have responsibilities under the Companies Act to report if in our opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- we have not received all the information and explanations we require for our audit.

We have nothing to report to you in respect of these responsibilities

Appointment

This is our second year of appointment as the statutory auditor of the Company. Our re-appointment will be renewed annually by means of a shareholders' resolution.

Consistency with the additional report to the audit committee

Our audit opinion on the financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which was issued on the same date as this report.

Non-audit services

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the parent company and its subsidiaries are in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

The non-audit services that we have provided to the parent company and its subsidiaries, in the period from 1 January 2024 to 31 December 2024, are disclosed in Note 6 to the financial statements.

We also have responsibilities under the Companies Act, Cap. 386 to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the separate and consolidated financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report to you in respect of these responsibilities.

Report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the “ESEF RTS”), by reference to Capital Markets Rule 5.55.6

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) – the Accountancy Profession (European Single Electronic Format) Assurance Directive (the “ESEF Directive 6”) on the annual financial report of the Group for the year ended 31 December 2023, entirely prepared in a single electronic reporting format.

Responsibilities of the directors

The directors are responsible for the preparation of the annual financial report, including the separate and consolidated financial statements and the relevant mark-up requirements therein, by reference to Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS.

Our responsibilities

Our responsibility is to obtain reasonable assurance about whether the annual financial report, including the separate and consolidated financial statements and the relevant electronic tagging therein comply in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the annual financial report, in accordance with the requirements of the ESEF RTS.
- Obtaining the annual financial report and performing validations to determine whether the annual financial report has been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- Examining the information in the annual financial report to determine whether all the required taggings therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF RTS.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the annual financial report for the year ended 31 December 2024 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

Matters on which we are required to report by the Capital Market Rules

Corporate governance statement

The Capital Market Rules issued by the Malta Financial Services Authority (“MFSA”) require the directors to prepare and include in their annual report a statement of compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Capital Market Rules also require the auditor to include a report on the statement of compliance prepared by the directors. We are also required to express an opinion as to whether, in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have identified material misstatements with respect to the information referred to in Capital Markets Rules 5.97.4 and 5.97.5.

We read the statement of compliance and consider the implication for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the annual report. Our responsibilities do not extend to considering whether this statement is consistent with the other information included in the annual report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the statement of compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's governance procedures or its risk and control procedures.

In our opinion:

- the corporate governance statement set out on pages 5 to 13 has been properly prepared in accordance with the requirements of the Capital Market Rules issued by the MFSA
- in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit the information referred to in Capital Market Rules 5.97.4 and 5.97.5 are free from material misstatement.

Under the Capital Market Rules, we also have the responsibility to review the statement made by the Directors, set out on page 3, that the business is a going concern, together with supporting assumptions or qualifications as necessary.

We have nothing to report to you in respect of these responsibilities.

The Principal on the audit resulting in this independent auditor's report is Sharon Causon.

Sharon Causon (Principal) for and on behalf of

GRANT THORNTON
Certified Public Accountants

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DATE