ARUNDEL ®

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2023 (UNAUDITED)

ARUNDEL ®

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ARUNDEL ®

CHAIRMAN'S STATEMENT

Arundel AG ("Company") is pleased to report its results for the six months ended 30 June 2023 ("Jun23"). Like other companies, our results continue to be impacted by external events including inflation brought on by the war in Ukraine and rising interest rates. Currency volatility also continues to have an impact on the Arundel Group's results as it primarily holds non-US Dollar assets and reports its results in that currency.

Whilst many market commentators believe that inflation has peaked, the recent rise in oil prices may lead to rising inflation or, at least, a slower fall than previously estimated. As a result, the expectation of lower interest rates has pushed out further with the rate of reductions expected to be modest for the foreseeable future.

The activities of the Arundel Group (the "Group") comprise:

(i) principal investments in selective real estate assets held in Euros, Sterling and Indian Rupees; and
(ii) the provision of un-regulated advice to various groups which generate fees.

While continuing to pursue these areas, your Directors are focusing on those factors over which they have more control such as a reduction in operating costs and the quantum and cost of debt. As previously announced, the Directors decided earlier this year that it was in the interest of shareholders to sell the Group's freehold property in London and to seek a buyer for the Group's development land in India. The sale of the London property already has been announced while the sale of the development land in India could take 6-9 months to complete.

On 22 August 2023 the Company announced that its wholly owned subsidiary Arundel Group Limited ("AGL") had entered into an agreement to sell AGL's office building located at 31A St James's Square, London (the "Property") to a sovereign buyer ("Sovereign) for the purpose of establishing its permanent embassy in London. The purchase price for the Property, net of value added tax, is £14.2 million, representing a selling price of approximately £18,300 (US$23,000) per m². The Sovereign paid a deposit of £710,000 to secure the Property with completion expected before the end of October 2023. Proceeds of the Property's sale, after provision for Capital Gains Tax, will be used to repay approximately $11.2 million of the Group's most expensive debt (and accrued interest) with the balance available for working capital purposes. As a consequence of the sale, the Group expects to save approximately $1.5 million per annum in finance and administrative costs.

Importantly, the sale of the Property and planned sale of the development land in India will eliminate the foreign exchange rate volatility in respect of these assets when translated into the Company's reporting currency.

Financial review

Overall, your Company is reporting a consolidated net loss of $5.3 million for Jun23 compared to a net loss of $5.4 million for the six months ended 30 June 2022 ("Jun22"). The consolidated results reflect fair value losses of $4.9 million on remeasurement of assets to be sold and a net loss on discontinued operations of $1.0 million. As a result, total equity decreased from $13.2 million on 31 December 2022 to $9.5 million on 30 June 2023.

During the first half of 2023, 81% of the Company's revenue was derived from rental income and 19% was derived from advisory activities, compared to 76% and 24%, respectively during the first six months of 2022. Administrative and marketing expenses for the six months ended 30 June 2023 were $2.3 million compared to $3.4 million for the equivalent period in 2022 representing a reduction of 34%, which reflects changes made to the business during 2022. Within administrative expenses, staff costs were 29% lower and professional fees were 52% lower than the comparable period in 2022.

On 30 June 2023, the independent valuation of the Group's investment properties in Germany, which are leased to the Government of Saxony (the "Leipzig Properties"), was €143.5 million compared to €143.9 million on 31 December 2022. However, the Euro strengthened by 1.7% against the US dollar since 31 December 2022 resulting in a positive foreign exchange movement of $2.7 million between reporting dates. This foreign exchange gain was partially offset by an increase in dollar terms of the senior Euro denominated debt secured against the Leipzig Properties.

While increases in global interest rates have impacted asset valuations, the Directors have worked hard over the last few years to restructure the Group's debt, primarily focusing on fixing interest rates and extending maturity dates when required. As a result, approximately 95% of the Group's debt is in fixed-rate instruments, thereby helping to minimize the effect of higher interest rates in the short to medium term. The Group's variable rate debt will be repaid on completion of the sale of the London property. The Group's senior debt secured against the Leipzig Properties matures on 30 September 2024; however, due to the increase in global interest rates, any refinancing will inevitably be at a higher interest rate than currently being charged. Senior debt secured on the Leipzig Properties represents approximately 42% of their most recent appraised value.

Management will continue to reduce other expenses wherever feasible.

Operational matters

Other developments during the first half of 2023 included the following:

- Effective 1 May 2023, the Group appointed a new manager for the Leipzig Properties. The Directors are working closely with the new manager and have commissioned a study to examine the Environmental, Social and Governance ("ESG") measures that could be implemented to improve the properties in consultation with the tenant.

- Effective 1 May 2023, the Group signed a new mandate with a German advisory group to explore the sale of a stake in the Leipzig Properties with any sale proceeds primarily to be used to repay debt. Unfortunately, increases in inflation and interest rates have affected prospective investors' ability and/or appetite to invest at this time. The exact proportion of equity to be sold and the timing of any sale will be dependent on developments over the next few months.

- The Group is working on a plan to transfer its US regulated subsidiary to a third-party joint venture in which the Group owns a 50% interest. This transfer already has led to a reduction in costs but means that the Group will no longer have direct involvement in the joint venture's operational activities.

As indicated above, the Company continues to evaluate its assets in view of prevailing market conditions. The Directors believe that the current strategy of asset sales, reduction of debt and other cost savings is the best way to rationalize the Company's activities for the immediate future.

Management shareholdings

On 30 June 2023 management owned 2,180,166 of the Company's issued share capital which represents 14.4% of the total number of shares in issue. These holdings remain unchanged from shares held by them on 31 December 2022.

We look forward to reporting on future developments.

Arundel AG

David P. Quint (Chairman)
Approved by the board: 19 September 2023

Financial results

On 30 June 2023, Freehold land and buildings along with fixtures and fittings to be disposed of by sale have been reclassified to a disposal group held for sale. In accordance with IFRS 5, adjustment has been made in order that it is carried at the lower of carrying value and fair value less costs to sell of $17.97 million. This resulted in a loss on remeasurement of $4.9 million being recognised in the consolidated income statement. On 30 June 2023 development land has also been reclassified to a disposal group held for sale. In accordance with IFRS 5, an adjustment to the valuation of the development land has been made in order that it is carried at the lower of carrying value and fair value less costs to sell of $7.7 million. This value represents a 20.0% discount to the independent valuation performed as at 31 December 2022

Total revenue for the period ended 30 June 2023 (“June23”) was $4.1 million compared to $4.5 million for the period ended 30 June 2022 (“Jun22”). Rental income from the Leipzig Properties for Jun23 was $3.4 million (Jun22 - $3.4 million) while advisory income was $0.8 million (Jun22 - $1.1 million).

Administrative and marketing expenses for Jun23 were $2.3 million (Jun22 - $3.4 million) with the decrease primarily attributable to a $0.3 million decrease in personnel costs and a $0.9 million decrease in legal and professional fees.

Finance income for June 23 represented positive foreign exchange rate movements on certain group borrowings (Jun22 – nil). Finance costs for Jun23 are stated at $2.8 million (Jun22 - $5.6 million, including a non-cash charge of $3.0 million in respect of foreign exchange movements).

The Company is reporting a consolidated net loss for Jun23 of $5.3 million (Jun22 – loss $5.4 million) and a gain from positive movements in foreign exchange rates of $0.5 million (Jun22 – loss $5.0 million) resulting in total comprehensive expense for Jun23 of $4.8 million compared to $10.4 million for Jun22.

Balance sheet

Total assets on 30 June 2023 (“30Jun23”) were $191.3 million compared to $195.4 million on 31 December 2022 (“31Dec22”).

The Leipzig Properties were independently valued at $156.6 million (€143.1 million) on 30Jun23 compared to $154.3 million (€143.9 million) on 31Dec22. The increase primarily reflects a $2.7 million positive movement in the exchange rate of the Euro against the US dollar between reporting periods offset by a fair value loss of $0.4 million.

Current assets on 30Jun23 were $31.4 million (31Dec22 - $5.4 million) including assets of disposal group held for sale stated at $26.4 million (31Dec22 – nil) which represent the development land in India and the freehold property in London discussed above. Current liabilities on 30Jun23 were $23.1 million (31Dec22 - $10.6 million), including liabilities of the disposal group of $3.3 million (31Dec22 – nil).

Long term borrowings on 30Jun23 were $158.7 million (31Dec22 - $171.7 million) with the decrease primarily attributable to the transfer of debt to current borrowings which will be repaid following the sale of the freehold property in London.

Deferred tax of $3.3 million has been provided on 30Jun23 ($8.3 million – 31Dec22) with a $2.0 million reduction reflecting the lower asset values for the assets held for sale and the transfer of $3.3 million to liabilities of disposal group held for sale.

On 30 June 2023 the group’s weighted average loan maturity is 3.2 years and the current weighted average loan interest rate is 3.1% per annum.

Cash flow

During Jun23 the group generated $0.3 million in operating activities (30Jun22 – used $0.3 million). Net cash used by financing activities in Jun23 totalled $0.9 million (Jun22 – used $1.4 million). Overall, the Group decreased its net cash and cash equivalents in Jun23 by $0.6 million compared to a net used of $1.7 million in Jun22.

Approved by the board – 19 September 2023

DIRECTORS

Mr. David Quint (Chairman)

Mr. Markus Müller

Mr. Ralph Beney

COMPANY SECRETARY

Mr. Markus Müller

EXECUTIVE MANAGEMENT

Mr David Quint (Executive Chairman)

Mr. Ralph Beney (Director and Chief Financial Officer)

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REGISTERED NUMBER

CH-020.3.922.903-6

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2023 (UNAUDITED)

	NOTE	6 Month Period to 30 June 2023	6 Month Period to 30 June 2022 RESTATED
		$	$
Revenue	4	4,149,451	4,516,185
Administrative and marketing expenses	5	(2,256,653)	(3,422,924)
Net fair value losses on investment properties and development land	9	(378,660)	(852,858)
Loss on remeasurement to fair value less costs to sell of available for sale group	8	(4,928,887)	-
Other income		56,205	87,791
Operating (loss)/profit		(3,358,544)	328,194
Finance income	6	884,096	10
Finance costs	7	(2,799,886)	(5,623,892)
Loss before income tax expense		(5,274,334)	(5,295,688)
Income tax charge/(expense)		1,621,989	(107,493)
Loss for the period from continuing operations		(3,652,345)	(5,403,181)
Discontinued Operations			
Loss for the period from discontinued operations	13	(1,641,924)	(1,937)
Loss for the period		(5,294,269)	(5,405,118)
Attributable to:			
Equity owners of the parent		(5,384,872)	(5,466,628)
Non-controlling interests		90,603	61,510
		$ per share	**$ per share**
Earnings per share from continuing and discontinued operations attributable to the owners during the period			
Basic and diluted (loss) per share:			
From continuing operations		(0.255)	(0.367)
From discontinued operations		(0.112)	(0.001)
From (loss) for the period		(0.367)	(0.368)

The notes on pages 11 to 23 form part of these consolidated financial statements.

	6 Month Period to 30 June 2023	6 Month Period to 30 June 2022
	$	$
Loss for the period	(5,294,269)	(5,405,118)
Other comprehensive income/(expense) for period		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	476,295	(5,030,855)
Other comprehensive income/(expense) for the period	476,295	(5,030,855)
Total comprehensive expense for the period	(4,817,974)	(10,435,973)
Attributable to:		
Equity owners of the parent	(4,971,676)	(10,222,077)
Non-controlling interests	153,702	(213,896)
	(4,817,974)	(10,435,973)

The notes on pages 11 to 23 form part of these consolidated financial statements.

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2023 (UNAUDITED)

	NOTE	As at 30 June 2023	As at 31 December 2022
		$	$
ASSETS			
Non-current assets			
Property plant and equipment	8	20,478	22,035,947
Investment property and development land	9	156,639,587	163,836,182
Investments		1,000	1,000
Receivables and prepayments	10	3,267,021	4,165,336
		159,928,086	190,038,465
Current assets			
Receivables and prepayments	10	3,731,987	3,524,699
Cash and cash equivalents		1,250,025	1,868,133
Assets of disposal group classified as held for sale	13	26,422,727	-
		31,404,739	5,392,832
TOTAL ASSETS		191,332,825	195,431,297
EQUITY			
Capital and reserves			
Share capital	12	16,362,693	16,362,693
Equity component of convertible bond		778,972	778,972
Translation reserve		(7,729,196)	(8,142,392)
Other reserve		493,190	493,190
Accumulated (loss)/profit		(3,446,876)	1,225,024
Treasury Shares		(624,269)	(1,072,797)
Attributable to the equity holders of the parent		5,834,514	9,644,690
Non-controlling interests		3,705,249	3,551,547
TOTAL EQUITY		9,539,763	13,196,237
LIABILITIES			
Non-current liabilities			
Non current borrowings	11	155,441,575	163,358,643
Deferred taxation		3,290,155	8,314,275
		158,731,730	171,672,918
Current liabilities			
Accruals		7,073,811	6,002,212
Trade and other payables		1,336,713	2,671,648
Current borrowings	11	11,347,113	1,888,282
Liabilities of disposal group classified as held for sale	13	3,303,695	-
		23,061,332	10.562,142
TOTAL LIABILITIES		181,793,062	182,235,060
TOTAL EQUITY AND LIABILITIES		191,332,825	195,431,297

The notes on pages 11 to 23 form part of these consolidated financial statements.

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023 (UNAUDITED)

	Attributable to equity owners of the parent								
	Share Capital $	**Treasury Shares** $	**Equity Component of Convertible Bond** $	**Translation Reserve** $	**Other Reserve** $	**Accumulated Losses** $	**Attributable to equity owners of the parent** $	**Non-controlling interest** $	**Total** $
As at 31 December 2022 and 1 January 2023	**16,362,693**	**(1,072,797)**	**778,972**	**(8,142,392)**	**493,190**	**1,225,024**	**9,644,690**	**3,551,547**	**13,196,237**
(Loss)/profit for the period	-	-	-	-	-	(5,384,872)	(5,384,872)	90,603	(5,294,269)
Other comprehensive income									
Foreign currency translation - net	-	-	-	413,196	-	-	413,196	63,099	476,295
Total comprehensive income	-	-	-	413,196	-	(5,384,872)	(4,971,676)	153,702	(4,817,974)
Treasury share transactions	-	448,528	-	-	-	712,972	1,161,500	-	1,161,500
As at 30 June 2023	**16,362,693**	**(624,269)**	**778,972**	**(7,729,196)**	**493,190**	**(3,446,876)**	**5,834,514**	**3,705,249**	**9,539,763**

	Share Capital $	**Treasury Shares** $	**Equity Component of Convertible Bond** $	**Translation Reserve** $	**Other Reserve** $	**Accumulated Profits** $	**Attributable to equity owners of the parent** $	**Non-controlling interest** $	**Total** $
As at 31 December 2021 and 1 January 2022	**16,362,693**	**(601,572)**	**778,972**	**(2,480,954)**	**493,190**	**4,774,889**	**19,327,218**	**3,478,370**	**22,805,588**
Profit for the period	-	-	-	-	-	(5,466,628)	(5,466,628)	61,510	(5,405,118)
Other comprehensive income									
Foreign currency translation - net	-	-	-	(4,755,449)	-	-	(4,755,449)	(275,406)	(5,030,855)
Total comprehensive income	-	-	-	(4,755,449)	-	(5,466,628)	(10,222,077)	(213,896)	(10,435,973)
Treasury share transactions	-	(534,356)	-	-	-	6,519	(527,837)	-	(527,837)
As at 30 June 2022	**16,362,693**	**(1,135,928)**	**778,972**	**(7,236,403)**	**493,190**	**(685,220)**	**8,577,304**	**3,264,474**	**11,841,778**

The notes on pages 11 to 23 form part of these consolidated financial statements.

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2023 (UNAUDITED)

	NOTE	6 Month Period to 30 June 2023	6 Month Period to 30 June 2022
Cash flow from operating activities		$	$
Loss for the period		(5,294,269)	(5,405,118)
Adjustments for:			
-Net foreign exchange movements	7	(884,029)	2,953,531
- Interest income	6	(67)	(10)
- Interest expenses and other finance expenses	7	2,580,781	2,485,993
- Amortisation of debt issue costs	7	172,096	170,848
- Changes in fair value of investment property and development land	9	378,660	852,858
- Treasury shares issued in lieu of fees		44,823	74,348
- Loss on remeasurement to fair value less costs to sell	8,13	7,038,879	-
- Profit on settlement agreement share receipt	4	-	(113,685)
- Depreciation	8	190,884	221,568
- Income tax expense		(2,092,376)	107,493
Changes in working capital			
- Trade creditors and other payables		(87,353)	(37,193)
- Other receivables and prepayments		(263,201)	(63,091)
- Accruals		(101,661)	(144,444)
Interest paid		(1,416,279)	(1,385,122)
Income tax paid			-
Net cash generated/(used) by operating activities		266,888	(282,024)
Cash flow from investing activities			
Capital expenditure		(1,508)	-
Interest received		67	10
Net cash used by investing activities		(1,441)	10
Cash flow from financing activities			
Repayment of borrowings	11	(905,040)	(1,402,640)
Net cash used by financing activities		(905,040)	(1,402,640)
Net decrease in cash and cash equivalents		(639,593)	(1,684,654)
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of period		1,868,133	5,015,184
Net decrease in cash and cash equivalents		(639,593)	(1,684,654)
Foreign currency translation adjustments		25,654	(72,970)
Cash and cash equivalents at end of period		**1,254,194**	**3,257,560**

The notes on pages 11 to 23 form part of these consolidated financial statements.

1. GENERAL INFORMATION

Arundel AG (the "Company") is domiciled in Switzerland with its registered office at Gotthardstrasse 21, CH-8002, Zürich and is the ultimate parent company of the Arundel Group (the "Group"). The Company is an investment holding company. The Group is focused on investment and financing activities in Europe, the USA and India. The Company is listed on the SIX Swiss Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these interim condensed consolidated financial statements have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These condensed interim financial statements for the half year reporting period ended 30 June 2022 have been prepared in accordance with Accounting Standard IAS 34 *Interim Financial Reporting*.

The interim report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 31 December 2022 and any public announcements made by the Group during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial period end and corresponding interim reporting period, except for changes in policy necessitated by the adoption of new standards as set out below. Comparative information presented is that included in the last set of interim condensed consolidated financial statements issued by the Group to 30 June 2022 and the annual report to 31 December 2022. Comparative information in the consolidated income statement and consolidated statement of comprehensive income and certain notes have been restated in order to be consistent with the presentation of items as discontinued operations in 2023 as detailed in Note 13.

2.2 Going Concern

The liabilities of the Group include borrowings of approximately $2.3 million in respect of debt secured on the Leipzig properties, repayable during the twelve months from the date of this report. The amortisation is paid from the monthly rent received from the tenant. Group borrowings also include loans and accrued interest of approximately $11.2 million that are scheduled for repayment between March and June 2024.

If the Group is unable to repay or refinance these borrowings or to extend their repayment date, this would significantly affect the Group's liquidity. As the Group's ability to repay, refinance or extend the maturity of the liabilities is currently uncertain, this indicates a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern.

In response to this uncertainty, the Group has taken a number of steps to ensure that it has sufficient liquidity to meet its obligations for the foreseeable future. These measures include:

1) The Directors decided to sell the Group's freehold property in London. On 22 August 2023, the Company announced that it had entered into an agreement to sell the property for £14.2 million (approximately $17.8 million). The transaction is expected to complete prior to the end of October 2023. The proceeds will be sufficient to repay all of debt due within the next 12 months.

2) The Directors have also decided to sell the development land in India. The sale process is expected to take between six to nine months to complete. The development land was valued at approximately $7.7 million on 30 June 2023.

3) The Group's Swiss Franc convertible bonds are scheduled to be repaid on 31 March 2027. Whilst the Group would prefer not to place any additional bonds, it has capacity to issue up to CHF 16 million of bonds if it was necessary to do so.

4) The Group signed a mandate in May 2023 with a German group to explore the sale of a minority stake in the Leipzig Properties and to refinance the senior debt secured on the Leipzig Properties which mature on 30 September 2024. On 30 June 2023 the Group's net equity in the Leipzig Properties was approximately $91 million. The exact proportion of equity to be sold will be dependent on developments during the next 6-12 months. In addition, the Group may be able to increase senior debt financing secured against the Leipzig Properties with the current loan to value ratio being 42%. A transaction is expected to be completed prior to 30 June 2024. Proceeds of any sale or refinancing would primarily be used to repay debt and/or to finance any capital expenditure requirements and to provide working capital.

2.2 Going Concern (continued)

4) The Group also signed a mandate in May 2023 with an affiliate of the same German group referred to above, to develop a strategy for redevelopment of the Leipzig Properties to improve the Environmental Social Governance ("ESG") aspects of the buildings. The Group has commissioned an initial study to determine the range and scope of development to be undertaken. If this project is successful, the Group would seek a new long-term lease with the tenant at an improved rent. The Group would seek ESG financing in Germany for a significant portion of the expected capital expenditure with the balance funded by equity release through a sale of a stake as described above.

If the Group is unable to execute on several of the matters referred in this note it could have a material impact on the ability of the Group to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis as the Board of Directors is confident that the measures described above can be implemented in due time.

Adoption of new standards and interpretations

The following new or amended standards became applicable for the current reporting period as follows:

- Annual improvements to IFRS Standards 2018-2020 Cycle
- IFRS 17 Insurance Contracts
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

After assessment, the Group concluded that there are no financial impacts on application and did not make retrospective adjustments as a result of adopting these standards and amendments.

New standards not yet adopted

The following new standards or amendments are currently issued but not effective:

- Amendment to IAS 1 – Non current liabilities with covenants
- Narrow scope amendments to IAS 1, practice statement 2 and IAS 8

These are not expected to have a material impact on the financial statements of the Group.

3. FINANCIAL AND OTHER RISK MANAGEMENT

3.1 Financial risk factors

The Group's financial and other risk management is unchanged from that disclosed in the Annual Financial Statements for the period ended 31 December 2022. See Note 3 for consideration of credit risk and expected credit losses arising from IFRS 9.

3.2 Fair value estimation

The fair value of instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

As at 30 June 2023, Investment property and development land of $156,639,587 is included in level 3 (December 2022- $163,836,182). There were no instruments included in level 1 or 2 at 30 June 2023 or 31 December 2022. For further details of the valuation technique used to value the Investment Properties and development land held by the group see Note 9. There were no transfers between levels in the period ended 30 June 2023.

4. REVENUE

In the following table, revenue is disaggregated by the nature of services provided. All revenue is transferred over time.

	6 month period to 30 June 2023 Total segment revenue $	6 month period to 30 June 2022 Total segment revenue $
Rental Income	3,380,891	3,416,900
Advisory fees	768,560	1,099,285
Total	4,149,451	4,516,185

Nature of services provided by the Group

Rental income:

The Group leases out investment property in Leipzig, Germany to a Government tenant for which it receives monthly rental income. In January 2022 the lease on approximately 85% of the properties was extended to June 2028. The tenant has the right to terminate a portion of the lease for approximately 20% of these properties by giving six months' notice. No such notice has been received. The remaining 15% of the properties are leased until December 2047.

Advisory Fees:

The Group provides unregulated advisory services to customers with a focus on investment in the US and Europe. The Group earns fee income from the provision of these services, which generally accrues over time. The group has several contracts in place with customers for the provision of these services which specify fixed consideration for services provided, revenue is recognised in accordance with fulfilment of the performance obligations over time.

5. ADMINISTRATIVE AND MARKETING EXPENSES

	6 month period to 30 June 2023 $	6 month period to 30 June 2022 $
Staff costs	712,572	1,010,439
Professional fees and other sundry costs	829,675	1,726,471
Property rent and maintenance	523,522	464,446
Depreciation	190,884	221,568
	2,256,653	3,442,924

6. FINANCE INCOME

	6 month period to 30 June 2023	6 month period to 30 June 2022
	$	$
Foreign exchange movements	884,029	-
Bank interest and other finance income	67	10
	884,096	10

7. FINANCE COSTS

	6 month period to 30 June 2023	6 month period to 30 June 2022
	$	$
Interest on bonds	1,290,303	1,182,572
Interest on facilities	315,537	326,667
Interest on other loans	974,942	976,754
Amortisation of debt issue costs	172,096	170,848
Other borrowing expenses	47,008	13,700
Foreign exchange movements	-	2,953,351
	2,799,886	5,623,892

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land $	Freehold Buildings $	Fixtures and Fittings $	Vehicles $	Total $
Period ended 30 June 2023					
Opening net book amount	8,696,268	13,321,062	18,617	-	22,035,947
Additions	-	-	21,139	-	21,139
Disposals	-	-	(460)	-	(460)
Depreciation charge	-	(187,449)	(3,435)	-	(190,884)
Foreign exchange movement	416,968	633,447	-	-	1,050,415
Loss on remeasurement to fair value less costs to sell	(2,015,834)	(3,087,882)	174,829	-	(4,928,887)
Transfer to disposal group classified as available for sale	(7,097,403)	(10,679,177)	(190,212)	-	(17,966,792)
Closing net book amount	-	-	20,478	-	20,478
At 30 June 2023					
Cost	-	-	65,661	-	65,661
Accumulated depreciation	-	-	(45,183)	-	(45,183)
Net book amount	-	-	20,478	-	20,478

	Freehold Land $	Freehold Buildings $	Fixtures and Fittings $	Vehicles $	Total $
Year ended 31 December 2022					
Opening net book amount	9,721,299	15,271,119	45,841	39,191	25,077,450
Additions	-	29,760	-	-	29,760
Disposals	-	-	-	(20,447)	(20,447)
Depreciation charge	-	(378,402)	(27,224)	(18,744)	(424,370)
Foreign exchange movement	(1,025,031)	(1,601,415)	-	-	(2,626,446)
Closing net book amount	8,696,268	13,321,062	18,617	-	22,035,947
At 31 December 2022					
Cost	8,696,268	15,777,860	194,291	-	24,668,419
Accumulated depreciation	-	(2,456,798)	(175,674)	-	(2,632,472)
Net book amount	8,696,268	13,321,062	18,617	-	22,035,947

At 30 June 2023, Freehold land and buildings along with fixtures and fittings to be disposed of by sale have been reclassified to a disposal group held for sale (See Note 13) In accordance with IFRS 5 adjustment has been made in order that it is carried at the lower of carrying value and fair value less costs to sell of $17.97m (£14.17m). This resulted in a loss on remeasurement of $4.93m being recognised in the consolidated income statement. The closing net book value of $20,048 represents office equipment to be retained by the Group after the sale transaction.

9. INVESTMENT PROPERTY AND DEVELOPMENT LAND

	Period ended 30 June 2023 $ Investment Property	Period ended 30 June 2023 $ Development Land	Period ended 30 June 2023 $ Total
Beginning of period	154,314,882	9,521,300	163,836,182
Fair value losses	(378,660)	-	(378,660)
Additions	-	-	-
Net change in fair value due to exchange differences	2,703,365	77,457	2,780,822
Loss on remeasurement to fair value less costs to sell	-	(1,917,707)	(1,917,707)
Transfer to disposal group classified as held for sale	-	(7,681,050)	(7,681,050)
End of period	156,639,587	-	156,639,587

	Year ended 31 December 2022 $ Investment Property	Year ended 31 December 2022 $ Development Land	Year ended 31 December 2022 $ Total
Beginning of year	162,473,366	10,568,476	173,041,842
Fair value gains	1,106,472	2,469	1,108,941
Additions	-	1,208	1,208
Net change in fair value due to exchange differences	(9,264,956)	(1,050,853)	(10,315,809)
End of year	154,314,882	9,521,300	163,836,182

Investment Property

The investment property is carried fair value. An independent valuation of the investment property was performed by Botta Management AG as at 30 June 2023 and 31 December 2022. A discounted cash flow method was used to calculate the market value assuming a 10-year calculation period and a terminal value (with the exception of part of the property for which a 30-year calculation period was used).

9. INVESTMENT PROPERTY AND DEVELOPMENT LAND (Continued)

This resulted in a gross capital valuation as set out below.

Country	Segment	Valuation (EUR/USD)	Valuation technique	Rental value (EUR/USD)	Discount rate %	Capitalisation rate for terminal value
Germany	Investments in Government tenanted properties	143,510,000/ 156,639,587 (31 Dec 2022 – 143,860,000/ 154,314,882)	Discounted cash flow	6,250,000/ 6,764,069 (31 Dec 2022 – 6,250,000/ 6,586,114)	4.4% (31 Dec 2022 – 4.4%)	4.9% (31 Dec 2022 – 4.9%)

Development Land

As at 30 June 2023 development land has been reclassified to a disposal group held for sale (See Note 13). In accordance with IFRS 5, and adjustment to the valuation of the development land has been made in order that it is carried at the lower of carrying value and fair value less costs to sell of $7,681,050 (INR 630.3m). This value represents a 20.0% discount to the independent valuation performed by Vestian Global Workplace Services Pvt Ltd as at 31 December 2022. The valuation was based on a market approach using comparable transactions, adjusted to reflect the size, the infrastructure and access, the location within the neighbourhood and the shape and topography.

The valuation as at 31 December 2022 uses a weighted average premium/discount.

Country	Segment	Valuation (INR/USD)	Valuation technique	Average Rate (INR million/acre)	Weighted average premium/ (discount)
India	Investments in Development Land	787,888,540/ 9,521,300	Market Approach – comparison method	12.79	(1.0)/(2.0) %

10. RECEIVABLES AND PREPAYMENTS

	As at 30 June 2023 $	As at 31 December 2022 $
Non-current		
Other receivables and prepayments – third party	-	954,682
Other receivables and prepayments – related party	3,267,021	3,210,654
	3,267,021	4,165,336
Current		
Trade receivables – third party	3,136,000	2,695,550
Trade receivables – related party	50,000	100,000
Taxation receivable	118,641	113,212
Other receivables and prepayments – third party	427,346	615,937
	3,731,987	3,524,699
Total Receivables and prepayments	6,999,008	7,690,035

Non-current third-party receivables and prepayments:

Third party receivables represent payments made to third parties for potential development land in Chennai, India. As at 30 June 2023 these total $770,163 (December 2022: $954,682) after a remeasurement loss to fair value less costs to sell of $(192,285). These are shown within assets of disposal group classified as available for sale at 30 June 2023 (See Note 13) as they will be disposed of in a single transaction with the development land.

Non-current related party receivables and prepayments:

Non-current related party receivables as at 30 June 2022 relate to a loan of $2,182,974 (€2,000,000) and accrued interest to June 2016 due from Ridgemont Holdings Limited ("Ridgemont"). Ridgemont's sole asset is a 5.1% interest in the partnership which owns the Leipzig investment properties. Ridgemont has the right but not the obligation to deliver its interest in the partnership in settlement of its obligations under the loan. In September 2021 the maturity date for the loan was extended by three years to 31 March 2025.

Impairment of financial assets

The Group has assessed the loan to Ridgemont mentioned above as at 30 June 2023. This loan is secured against the 5.1% minority holding of Ridgemont in USI Verwaltungszentrum Leipzig Limited & Co.KG. As at 30 June 2023 the value of this holding is higher than the valuation of the loan made and accrued interest. As such, no allowance has been made for the lifetime expected loss.

As at 30 June 2023, the group considers the credit risk on trade receivables to be very low and consequently the period over which expected loss was considered was limited to 12 months. The assessment considered the individual counterparty risk and collateral held. Following this assessment, no impairment has been recognised.

The credit risk on the loan made in respect of investments in development rights in India is considered to be nil as the Group holds collateral in excess of the value of the loans made.

11. BORROWINGS

	30 June 2023 $	31 December 2022 $
Non-current		
Bonds	28,756,559	35,528,565
Facilities	63,655,275	63,506,063
Other loans	63,029,741	64,324,015
	155,441,575	163,358,543
Current		
Bonds	7,714,147	-
Facilities	2,111,271	1,888,282
Other loans	1,521,695	-
Total current borrowings	11,347,113	1,888,282
Total borrowings	166,788,688	165,246,925

Bonds

On 15 December 2021, after securing bond holder consent, the Group extended the maturity date of its Swiss Franc convertible bonds for five years with a new maturity date of 31 March 2027. The interest rate of 6.25% and conversion price of CHF 10.00 per share remained unchanged. In the period ended 30 June 2023, no new convertible bonds were issued to third parties, meaning the total in issue as at 30 June 2023 remained at CHF 26.44 million (2022 – CHF 26.44 million). The Group can issue up to a total of CHF 42.04 million of the bonds.

During the year ended 31 December 2021, the Group issued up to $8 million Guaranteed Secured Notes. These paid interest at an initial rate of 6% per annum (rising to 8% as at 31 December 2021 and 10% as at 31 December 2022) and have a maturity date of 31 March 2024. As at 30 June 2023 the total in issue is $7.75 million. These are shown as current borrowings as at 30 June 2023.

Facilities

In September 2019 the group entered into a new 5-year facility with a major German financial institution to refinance the debt secured against the Leipzig properties. The principal sum borrowed was €65 million and the interest rate was fixed at 0.95% per annum. Under the terms of the financing approximately 10.5% of the principal sum will be amortised during the term of the loan.

Other Loans

At 30 June 2023 Other Loans (non-current) included various loans from minority shareholders totaling $60.3 million (December 2022 - $60.1 million). The maturity date of these loans is 31 December 2028. The weighted average interest rate on these loans is 2.63% per annum. Also included in non-current other loans are loans totaling $2.7 million on which interest is charged at a rate of 6.0%, the maturity date of these loans is January 2026.

Other loans (current) of $1.5 million attract an interest rate of 11.9% and mature in June 2024, these loans are secured by a charge against the freehold property in London.

12. SHARE CAPITAL

	30 June 2023 $	31 December 2022 $
Authorised, allotted, called up and fully paid:		
Equity interests:		
15,115,164 Ordinary shares of CHF 1.00 each	16,362,693	16,362,693

As at 30 June 2023, the Group held 263,691 treasury shares (31 December 2022 – 454,266 shares).

12. SHARE CAPITAL (Continued)

Treasury Shares	June 2023 Shares	Dec 2022 Shares	June 2023 $	Dec 2022 $
	263,691	454,266	624,269	1,072,797

An analysis of the movement in treasury shares in the period ended 30 June 2023 and year ending 31 December 2022 is as follows:

	No of Treasury Shares	$	Average price per share $
As at 31 December 2021	223,732	601,572	2.69
Receipt of shares in settlement of obligations	290,534	600,267	2.07
Shares issued in lieu of fees	(60,000)	(129,042)	2.15
As at 31 December 2022	454,266	1,072,797	2.35
Shares issued in lieu of fees	(30,000)	(67,923)	2.26
Shares issued to former shareholders	(160,575)	(380,604)	2.37
As at 30 June 2023	263,691	624,269	2.37

13. NON-CURRENT ASSETS HELD FOR SALE, DISCONTINUED OPERATIONS AND OTHER TRANSACTIONS

In the financial statements for the year to 31 December 2022 the Company announced its intention to seek a purchaser for its investment in development land in India. In the period ended 30 June 2023 the Directors have also decided to sell the office building owned in London. The Company expects both sales to be completed within 12 months from 30 June 2023. As such, the assets and liabilities in relation to both of these investments have been reclassified into a disposal group held for sale as at 30 June 2023.

Assets of disposal group classified as held for sale are as follows:

	Period ended 30 June 2023 $ London Property (Continued Operations)	Period ended 30 June 2023 $ Development Land (Discontinued Operations)	Period ended 30 June 2023 $ Total	Year ended 31 December 2022 $
Property, plant and equipment	17,966,791	-	17,966,791	-
Development land	-	7,681,050	7,681,050	-
Receivables and prepayments	-	770,717	770,717	-
Cash and cash equivalents	-	4,169	4,169	-
	17,966,791	8,455,936	27,215,028	-

13. NON-CURRENT ASSETS HELD FOR SALE, DISCONTINUED OPERATIONS AND OTHER TRANSACTIONS (Continued)

As detailed in Note 8 and 9, upon transfer to the disposal group classified as held for sale, adjustment was made to the valuation of the property plant and equipment and development land to the lower of their carrying value or fair value less costs to sell.

The fair value of the property, plant and equipment was determined to be £14.35 million as at 30 June 2023, costs to sell and other expenses of £0.2 million were deducted from this. As such, a fair value less costs to sell of £14.15million ($17.97m) has been used as at 30 June 2023 (See Note 17).

Having undertaken initial marketing of the development land the Directors consider a discount of 20.0% to the development land and associated prepayments to approximate fair value less costs to sell.

The carrying value of the cash and cash equivalents, as at 30 June 2023 identified within the disposal group is considered to represent fair value.

Liabilities of disposal group classified as held for sale:

	Period ended 30 June 2023 $ London Property (Continued Operations)	**Period ended 30 June 2023 $ Development Land (Discontinued Operations)**	**Period ended 30 June 2023 $ Total**	**Year ended 31 December 2022 $**
Deferred income taxation	2,636,283	492,968	3,129,251	-
Trade and other payables	-	170,606	170,606	-
Accruals	-	3,839	3,839	-
				-
	2,636,283	667,412	3,303,695	-

Adjustment was made to the provisions for deferred taxation in respect of the London property and development land to reflect the revised valuations as at 30 June 2023. This resulted in a release of $2.09m to the consolidated income statement.

The carrying value of trade and other payables and accruals as at 30 June 2023 identified within the disposal group is considered to represent fair value.

13. NON-CURRENT ASSETS HELD FOR SALE, DISCONTINUED OPERATIONS AND OTHER TRANSACTIONS (Continued)

Discontinued operations

The results of the Group's Indian development land investment have been treated as discontinued operations as they represent a significant segment of the business. The results of the London property have been treated as a continuing operation as it does not meet the criteria of IFRS 5.32.

An analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets or disposal group is as follows:

	Period ended 30 June 2023 $	**Period ended 30 June 2022 $**
Administrative expenses	(3,841)	(4,036)
Other income	1,521	2,099
Loss on re-measurement to fair value less costs to sell on development land (Note 9)	(1,917,707)	-
Loss on re-measurement to fair value less costs to sell on receivables (Note 10)	(192,285)	-
Taxation	470,388	-
Gain/(loss) for the year from discontinued operations	(1,624,924)	(1,937)
Attributable to:		
Equity owners of the parent	(1,624,924)	(1,937)
Non-controlling interests	-	-
	(1,624,924)	(1,937)

	Period ended 30 June 2023 $	**Period ended 30 June 2022 $**
Operating cash flows	1,314	469
Investing cash flows	-	-
Financing cash flows	-	-
Net movement in cash in period	1,314	469
Cash and cash equivalents at beginning of period	2,782	5,842
Net increase in cash and cash equivalents	1,364	469
Foreign currency translation adjustments	23	(329)
Cash and cash equivalents at end of period	4,169	5,982

14. FOREIGN EXCHANGE RATES

	Balance Sheet		Income and Cash Flow Statement (average)	
	As at 30 June 2023 $	As at 31 December 2022 $	Period ended 30 June 2023 $	Period ended 30 June 2022 $
EUR	0.916	0.932	0.924	0.951
CHF	0.895	0.925	0.912	0.955
GBP	0.789	0.826	0.811	0.811
SGD	1.352	1.341	1.336	1.379
INR	82.0605	82.750	82.170	78.598

15. SEGMENT INFORMATION

	Continued Operations				Discontinued	
	Investments in Government Tenanted Property (Germany)	**Investment Advisory (UK/US)**	**Head Office and Reconciling Central Costs**	**Total Continued Operations**	**Investments in Development Land (India)**	**Total**
Period ended 30 June 2023	**$**	**$**	**$**	**$**	**$**	**$**
Revenue (Note 4)	3,380,891	768,560	-	4,149,451	-	4,149,451
Net loss on fair value movement on investment property (Note 9)	(378,660)	-	-	(378,660)	-	(378,660)
Net loss on remeasurement to fair value less costs to sell (Note 13)	-	-	(4,928,887)	(4,928,887)	(2,109,992)	(7,038,879)
(Loss)/profit after tax	**1,763,891**	**(131,753)**	**(5,284,484)**	**(3,652,345)**	**(1,641,924)**	**(5,294,270)**
Assets						
Investment property (Note 9)	156,639,587	-	-	156,639,587	7,681,050	164,320,637
Property, plant and equipment (Note 8)	-	-	17,987,269	17,987,269	-	17,987,269
Other receivables (Advance development rights payments) (Note 10)	-	-	-	-	770,163	770,163
Investments	-	1,000	-	1,000	-	1,000
Receivables and prepayments (Note 10)	44,059	3,186,000	3,768,948	6,999,008	553	6,999,561
Cash and cash equivalents	47,273	238,729	964,023	1,250,025	4,169	1,254,194
Segment assets for reportable segments	**156,730,920**	**3,425,729**	**22,720,239**	**182,876,888**	**8,455,936**	**191,332,825**
Of which are non-current assets:	156,639,587	1,000	3,287,499	159,906,608	-	159,928,086
Liabilities						
Total borrowings (Note 11)	65,766,572	-	101,022,116	166,788,688	-	166,788,688
Deferred taxation	3,290,155	-	2,636,283	5,926,428	492,967	6,419,406
Accruals	90,957	-	6,982,854	7,073,811	3,839	7,077,650
Trade and other payables	-	1,166,161	170,552	1,336,713	170,606	1,507,319
Segment liabilities for reportable segments	**69,147,684**	**1,166,161**	**110,811,805**	**181,125,650**	**667,412**	**181,793,062**

All revenue derived from Investments in Government Tenanted Property is derived from one external customer in Germany. Investment advisory income is derived from a number of external customers. The column Head Office and Reconciling Central Costs represents expenses, assets and liabilities that relate to the London property and also those which cannot be separately allocated between segments.

15. SEGMENT INFORMATION - RESTATED	Continued Operations				Discontinued	
	Investments in Government Tenanted Property (Germany)	Investment Advisory (UK/US)	Head Office and Reconciling Central Costs	Total Continued Operations	Investments in Development Land (India)	Total
Period ended 30 June 2022	**$**	**$**	**$**	**$**	**$**	**$**
Revenue (Note 4)	3,416,000	1,099,285	-	4,516,185	-	4,615,185
Net loss on fair value movement on investment property (Note 9)	(852,858)	-	-	(852,858)	-	(852,858)
Net loss on remeasurement to fair value less costs to sell	-	-	-	-	-	
(Loss)/profit after tax	**1,243,727**	**(570,412)**	**(6,076,496)**	**(5,403,181)**	**(1,937)**	**(5,405,118)**
As at 31 December 2022						
Assets						
Investment property (Note 9)	154,314,882	-	-	154,314,882	9,521,300	163,836,182
Property, plant and equipment (Note 8)	-	-	22,035,947	22,035,947	-	22,035,947
Other receivables (Advance development rights payments) (Note 10)	-	-	-	-	954,682	954,682
Investments	-	1,000	-	1,000	-	1,000
Receivables and prepayment (Note 10)	-	2,695,500	4,039,853	6,735,353	-	6,735,353
Cash and cash equivalents	87,918	1,093,156	684,998	1,865,351	2,782	1,868,133
Segment assets for reportable segments	**154,402,079**	**3,789,656**	**26,760,798**	**184,952,533**	**10,478,764**	**195,431,297**
Of which are non-current assets:	154,314,882	1,000	25,246,601	179,562,483	10,475,982	190,038,465
Liabilities						
Total borrowings (Note 11)	65,394,367	-	99,852,558	165,246,925	-	165,246,925
Deferred taxation	3,090,273	-	4,268,054	7,358,327	955,948	8,314,275
Accruals	64,006	-	5,938,206	6,002,212	-	6,002,212
Trade and other payables	-	1,197,159	1,305,305	2,502,464	169,184	2,671,648
Segment liabilities for reportable segments	**68,548,647**	**1,197,159**	**111,364,122**	**181,109,928**	**1,125,132**	**182,235,060**

All revenue derived from Investments in Government Tenanted Property is derived from one external customer in Germany. Investment advisory income is derived from a number of external customers. The column Head Office and Reconciling Central Costs represents expenses, assets and liabilities that relate to the London property and also those which cannot be separately allocated between segments.

15. SEGMENT INFORMATION (CONTINUED)

The assets and liabilities of the reportable segments together with Head Office and Reconciling Central Costs equal total assets and liabilities in both periods.

16. CONTINGENT LIABILITY

The Group had no contingent liabilities at 30 June 2023.

17. SUBSEQUENT EVENTS

On 22 August 2023, the Company announced that it had entered into an agreement to sell the Group's freehold property in London for approximately $17.8 million. The transaction is expected to complete prior to the end of October 2023 with the proceeds used to repay approximately $11.2 million of debt and accrued interest secured on the property with the balance, after tax, being available as additional working capital.

18. BOARD APPROVAL

The unaudited consolidated financial statements on pages 6 to 26 are subject to approval and have been authorised by the board of directors on 19 September 2023 and were signed on its behalf by:

Mr David Quint
Chairman

Date: 19 September 2023

Mr. Markus Müller
Director

Date: 19 September 2023