

Mediterranean Investments Holding  
p.l.c.

Group Half-Yearly Financial Report  
(Unaudited)

For the period 1 January to 30 June 2021

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## **Half-yearly Directors' Report pursuant to Listing Rule 5.75.2**

The directors present their report together with the unaudited consolidated financial statements of Mediterranean Investments Holding p.l.c. for the six-month period ended 30 June 2021. The group comprises the company, its two subsidiaries, Palm City Ltd and Palm Waterfront Ltd, and its associate, Medina Tower Joint Stock Company for Real Estate Investment and Development.

### **Basis of preparation**

The published figures have been extracted from the unaudited consolidated financial statements of Mediterranean Investments Holding Plc for the six months ended 30 June 2021 and the comparative period in 2020. The comparative Statement of Financial Position as at 31 December 2020 has been extracted from the audited financial statements for the year then ended. This report is being published in terms of Listing Rule 5.74 issued by the Malta Financial Services Authority – Listing Authority and has been prepared in accordance with the applicable Listing Rules and the International Accounting Standard 34, 'Interim Financial Reporting'. In terms of Listing Rule 5.75.5, the Directors are stating that this Half-Yearly Financial Report has not been audited or reviewed by the auditors of the Group.

### **Accounting Policies**

The accounting policies adopted in the preparation of the 2021 Group Half-Yearly Report are the same as those adopted in the preparation of the audited financial statements for the year ended 31 December 2020.

### **Principal activities**

The principal activity of the Group is to directly or indirectly acquire, develop and operate real estate projects in North Africa and invest in any related trade or business venture.

### **Review of the business**

During the six-month period under review, the Group's revenues amounted to €11.82 million (2020 - €12.48 million), a 5% decrease in revenue over the corresponding period the year before, primarily as a result of the devaluation of the Libyan Dinar at the start of the year on part of the revenue generated which is invoiced in Libyan Dinar. In parallel, operating costs increased by nearly €0.50 million over the corresponding period last year. A contributing factor to increased operating costs is an increase in the provision for repairs and replacements of a capital nature, which, as a result of the accounting policy of treating Palm City as an investment property, have to be expensed through the income statement. Operating profit amounted to €8.16 million (2020 - €9.18 million). There was a sharp increase in finance costs in the period under review due to the provision for exchange losses recognised on assets and liabilities expressed in Libyan Dinar on the devaluation of the said currency in early January 2021. The profit before tax for the period under review amounted to €2.95 million (2020 - €6.89 million). Having utilised most of the tax losses in the previous financial year, Libya tax is being provided for on the profits generated at Palm City Ltd in these financial statements.

The average occupancy at Palm City Residences for the first six months of the year was 53.1% (2020: 50.2%).

### **State of Affairs**

As at the end of the June 2021, the group's assets stood at €311.90 million, down from €326.60 million as at 31 December 2020 primarily as a result of the decrease in cash and cash equivalents due to the redemption of the €12 million 6% bond in June and also as a result of exchange losses on bank balances denominated in Libyan Dinars. Concurrently, current liabilities decreased from the comparative year-end figure due to the redemption of the €12 million bond in June. Other changes in current liabilities relative to the comparative figures, include other borrowings which are due within one year, and the remaining dividend payable, which although classified as current, its repayment is subject to free cashflow availability. By the end of June, €6 million of the declared dividends in 2020 were still unpaid.

## **Outlook**

Notwithstanding the recent rise in positive Covid cases in Libya, management remains confident that occupancy levels will increase during the second semester as confirmed leases are signed with major clients whilst other leases are expected to be signed throughout July and August.

As always, management remains in contact with clients in an effort to understand their requirements, and measures are constantly taken in order to keep the property in pristine condition, allowing Palm City to be able to accommodate clients as soon as leases are concluded.



**Alfred Pisani**  
Chairman



**Ahmed Wahedi**  
Director

Registered office:

22, Europa Centre,  
Floriana FRN 1400,  
Malta

24 August 2021

## Statement of total comprehensive income


	1 January to 30 June 2021 €	1 January to 30 June 2020 €
<b>Revenue</b>	11,816,351	12,479,142
Operating expenses	(2,612,396)	(2,122,209)
<b>Gross profit</b>	<b>9,203,955</b>	<b>10,356,933</b>
Administrative expenses	(1,038,740)	(1,172,576)
Marketing expenses	(5,284)	(4,363)
<b>Operating profit</b>	<b>8,159,931</b>	<b>9,179,994</b>
Finance income	178,850	272,738
Finance costs	(5,390,451)	(2,564,589)
<b>Profit before tax</b>	<b>2,948,330</b>	<b>6,888,143</b>
Tax expense		
- Current tax	(1,113,902)	(192,306)
<b>Profit for the period</b>	<b>1,834,428</b>	<b>6,695,837</b>
<b>Earnings per share (basic and diluted)</b>	<b>0.038</b>	<b>0.139</b>


## Statement of financial position

	30 Jun 2021	31 Dec 2020
	€	€
<b>Assets</b>		
<b>Non-current</b>		
Intangible assets	2,258	2,258
Property, plant and equipment	9,112,469	9,527,699
Investment property	272,567,609	272,567,609
Investment accounted for using the equity method	12,185,778	12,185,778
	<b>294,248,854</b>	<b>294,283,344</b>
<b>Current</b>		
Inventories	1,327,464	1,111,564
Trade and other receivables	7,219,223	4,781,282
Cash and cash equivalents	8,636,335	25,700,114
Tax recoverable	464,139	773,501
	<b>17,647,161</b>	<b>32,366,461</b>
<b>Total assets</b>	<b>311,896,015</b>	<b>326,649,805</b>
<b>Equity</b>		
Share capital	48,002,000	48,002,000
Other components of equity	(1,045,550)	(1,045,550)
Retained earnings	136,544,113	134,709,685
<b>Total equity</b>	<b>186,500,563</b>	<b>181,666,135</b>
<b>Liabilities</b>		
<b>Non-current</b>		
Bank and other borrowings	-	5,000,000
Bonds	1 70,526,746	70,382,973
Shareholders' loan	5,203,300	5,203,300
Deferred tax liability	24,823,314	24,823,314
Other non-current liabilities	3,136,542	3,373,088
	<b>103,689,902</b>	<b>108,782,675</b>
<b>Current</b>		
Bank borrowings	5,004,481	68,048
Bonds	1 -	11,950,000
Trade and other payables	19,701,069	24,026,372
Current taxation	-	156,575
	<b>24,705,550</b>	<b>36,200,995</b>
<b>Total liabilities</b>	<b>128,395,452</b>	<b>144,983,670</b>
<b>Total equity and liabilities</b>	<b>311,896,015</b>	<b>326,649,805</b>

The notes on page 8 are an integral part of this Half-Yearly Financial Report.

The interim financial statements on pages 2 to 8 were approved by the board of directors, authorised for issue on 24 August 2021 and signed on its behalf by:

  
**Alfred Pisani**  
Chairman

  
**Ahmed Wahedi**  
Director

## Statements of changes in equity

	Share capital €	Other components of equity €	Retained earnings €	Total equity €
Balance at 1 January 2020	48,002,000	(225,563)	119,704,976	167,481,413
Profit for the period	-	-	6,695,837	6,695,837
Total comprehensive income for the period	-	-	6,695,837	6,695,837
<b>Balance at 30 June 2020</b>	<b>48,002,000</b>	<b>(225,563)</b>	<b>126,400,813</b>	<b>174,177,250</b>
<b>Balance at 1 July 2020</b>	48,002,000	(225,563)	126,400,813	174,177,250
Profit for the period	-	-	18,308,872	18,308,872
Dividend	-	-	(10,000,000)	(10,000,000)
Other comprehensive loss	-	(819,987)	-	(819,987)
Total comprehensive income for the period	-	(819,987)	8,308,872	7,488,885
<b>Balance at 31 December 2020</b>	<b>48,002,000</b>	<b>(1,045,550)</b>	<b>134,709,685</b>	<b>181,666,135</b>
Balance at 1 January 2021	48,002,000	(1,045,550)	134,709,685	181,666,135
Profit for the period	-	-	1,834,428	1,834,428
Total comprehensive income for the period	-	-	1,834,428	1,834,428
<b>Balance at 30 June 2021</b>	<b>48,002,000</b>	<b>(1,045,550)</b>	<b>136,544,113</b>	<b>183,500,563</b>

## Statement of cash flows

	1 January to 30 June 2021 €	1 January to 30 June 2020 €
<b>Operating activities</b>		
Profit before tax	2,948,331	6,888,143
Adjustments	1,910,272	2,898,929
Net changes in working capital	(5,221,472)	116,755
Tax received	309,362	-
Tax paid	(156,575)	(60,000)
<b>Net cash generated from operating activities</b>	<b>(210,082)</b>	<b>9,843,827</b>
<b>Investing activities</b>		
Payments to acquire property, plant and equipment	(3,359)	(3,281)
Payments to acquire investment property	-	(20,618)
<b>Net cash used in investing activities</b>	<b>(3,359)</b>	<b>(23,899)</b>
<b>Financing activities</b>		
Repayment of bank loan	-	(1,758,942)
Repayment of bonds	(11,950,000)	-
Payment of dividends	(4,000,000)	-
Interest paid	(836,771)	(873,932)
<b>Net cash used in financing activities</b>	<b>(16,786,771)</b>	<b>(2,632,874)</b>
Net change in cash and cash equivalents	(17,000,212)	7,187,054
Cash and cash equivalents, beginning of year	25,632,066	13,077,318
<b>Cash and cash equivalents, end of period</b>	<b>8,631,854</b>	<b>20,264,372</b>



## Notes to the Group Half-Yearly Report

### 1 Bonds

	Interest Rate	Jun 2021	Dec 2020
		€	€
Bond IV	6%	-	11,950,000
Bond VII	5%	39,861,527	39,793,185
Bond VIII	5.5%	19,691,195	19,621,192
Bond IX	6%	10,974,024	10,968,596
		<b>70,526,746</b>	<b>82,332,973</b>
Comprising:			
		Jun 2021	Dec 2020
		€	€
Current		-	11,950,000
Non-current		70,526,746	70,382,973
		<b>70,526,746</b>	<b>82,332,973</b>

Bond IV was redeemed in full on the maturity date of 22<sup>nd</sup> June 2021 in accordance with the Prospectus dated 2 June 2014.

The maturity date of bond VII is 6<sup>th</sup> July 2022.

The maturity date of Bond VIII is 31<sup>st</sup> July 2023.

The maturity date of Bond IX, which is an unlisted bond, is 3<sup>rd</sup> October 2025, with an early redemption option to redeem in part or in full on the interest payment dates in 2023 and 2024

### 2 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the end of the reporting period and the date of authorisation by the board.

## **Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority**

We confirm that to the best of our knowledge:

- the interim financial statements give a true and fair view of the financial position of Mediterranean Investments Holding Plc as at 30 June 2021, and of its financial performance and its cashflows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 – Interim Financial Reporting), and
- The interim Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



**Alfred Pisani**  
Chairman



**Ahmed Wahedi**  
Director