



Mediterranean  
Investments  
Holding P.L.C.

## COMPANY ANNOUNCEMENT

*The following is a company announcement by Mediterranean Investments Holding p.l.c. - C37513 (the Company), pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.*

### **Approval of the interim unaudited Financial Statements for the six-month period ended 30 June 2022**

The Company's Board of Directors approved the Group's interim unaudited Financial Statements for the six-month period ended 30 June 2022.

The Financial Statements are attached herewith and are also available for viewing on the Company's website through the following link: <https://mihplc.com/wp-content/uploads/2022/08/MIH-half-yearly-Fin-report.pdf>.

  
Stephen Bajada  
Company Secretary

*Encl.*

30 August 2022

Mediterranean Investments Holding  
p.l.c.

Group Half-Yearly Financial Report  
(Unaudited)

For the period 1 January to 30 June 2022

## **Contents**

|  |          |
|--|----------|
| <b>Half-yearly Directors' report pursuant to Capital Markets Rule 5.75.2</b> | <b>2</b> |
| <b>Interim Statement of total comprehensive income</b>                       | <b>4</b> |
| <b>Interim Statement of financial position</b>                               | <b>5</b> |
| <b>Interim Statement of changes in equity</b>                                | <b>6</b> |
| <b>Interim Statement of cash flows</b>                                       | <b>7</b> |
| <b>Notes to the financial statements</b>                                     | <b>8</b> |
| <b>Statement pursuant to Capital Markets Rule 5.75.3</b>                     | <b>9</b> |

## **Half-yearly Directors' Report pursuant to Capital Markets 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 2022. 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 2022 and the comparative period in 2021. The comparative Statement of Financial Position as at 31 December 2021 has been extracted from the audited financial statements for the year then ended. This report is being published in terms of Capital Markets Rule 5.74 issued by the Malta Financial Services Authority and has been prepared in accordance with the applicable Capital Markets Rules and the International Accounting Standard 34, 'Interim Financial Reporting'. In terms of Capital Markets 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 2022 Group Half-Yearly Report are the same as those adopted in the preparation of the audited financial statements for the year ended 31 December 2021.

### **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 €12.27 million (2021 - €11.82 million), a 3.9% increase in revenue over the corresponding period the year before. Although the average occupancy percentage rate for the period was marginally lower than the comparative period last year, the increase in revenue was driven by higher average rates charged on the residences during the period under review. Operating costs increased by €0.44 million over the corresponding period last year, primarily due to an increase in the provision for repairs and replacements of a capital nature. As a result of the accounting policy of treating Palm City as an investment property, such expenditure has to be expensed through the income statement. Operating profit amounted to €8.06 million (2021 - €8.16 million).

There was a sharp decrease in finance costs compared to last year: In 2021 there was a provision taken for exchange losses on assets and liabilities expressed in Libyan Dinar due to the devaluation of the said currency in early January 2021. During the first half of 2022 relative to 2021, there has also been a reduction in bond interest costs following the redemption of the 6.0% bond in June 2021, and a decrease in other interest costs due to the settlement of other borrowings in February this year.

The profit before tax for the period under review amounted to €5.65 million (2021 - €2.95 million). 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 50.9% (2021: 53.1%).

**State of Affairs**

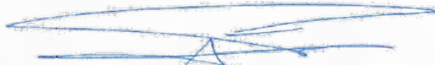
As at the end of the June 2022, the group's assets stood at €315.18 million, up from €310.94 million as at 31 December 2021. There was an increase in property, plant and equipment, and also an increase in cash and cash equivalents in anticipation of the redemption of €10 million of a maturing bond early in July. In current liabilities, the 'other borrowings' of €5 million were settled in full together with accrued interest in February 2022.

**Outlook**

On the 6th July 2022, the €40 million bond was redeemed and a new €30 million bond was successfully listed on the Malta Stock Exchange. The new 5-year bond carries a coupon rate of 5.25% and was heavily oversubscribed with over €55 million received from MIH bondholders.

At Palm City, although there has been no significant change in the political situation in Tripoli, enquiries continue to come in. Some of the enquiries are from existing clients wishing to increase their footprint, and it would appear that some of these will materialise within the foreseeable future.

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

30 August 2022

## Statement of total comprehensive income

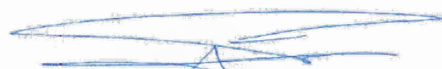
|   | 1 January to<br>30 June 2022 | 1 January to<br>30 June 2021 |
|---|------------------------------|------------------------------|
|   | €                            | €                            |
| <b>Revenue</b>                                | 12,271,182                   | 11,816,351                   |
| Operating expenses                            | (3,048,887)                  | (2,612,396)                  |
| <b>Gross profit</b>                           | <u>9,222,295</u>             | <u>9,203,955</u>             |
| Administrative expenses                       | (1,164,223)                  | (1,038,740)                  |
| Marketing expenses                            | (1,182)                      | (5,284)                      |
| <b>Operating profit</b>                       | <u>8,056,890</u>             | <u>8,159,931</u>             |
| Finance income                                | -                            | 178,850                      |
| Finance costs                                 | (2,408,556)                  | (5,390,451)                  |
| <b>Profit before tax</b>                      | <u>5,648,334</u>             | <u>2,948,330</u>             |
| Tax expense                                   |                              |                              |
| - Current tax                                 | (943,987)                    | (1,113,902)                  |
| <b>Profit for the period</b>                  | <u>4,704,347</u>             | <u>1,834,428</u>             |
| <br>  |                              |                              |
| <b>Earnings per share (basic and diluted)</b> | <u>0.098</u>                 | <u>0.038</u>                 |


## Statement of financial position

|  | 30 Jun 2022        | 31 Dec 2021        |
|--|--------------------|--------------------|
|  | €                  | €                  |
| <b>Assets</b>                                    |                    |                    |
| <b>Non-current</b>                               |                    |                    |
| Intangible assets                                | 2,258              | 2,258              |
| Property, plant and equipment                    | 10,545,077         | 9,539,784          |
| Investment property                              | 272,567,609        | 272,567,609        |
| Investment accounted for using the equity method | 8,022,973          | 8,022,973          |
|  | <b>291,137,917</b> | <b>290,132,624</b> |
| <b>Current</b>                                   |                    |                    |
| Inventories                                      | 1,284,503          | 1,195,522          |
| Trade and other receivables                      | 5,577,570          | 7,710,278          |
| Cash and cash equivalents                        | 16,621,333         | 10,886,366         |
| Tax recoverable                                  | 555,828            | 1,019,967          |
|  | <b>24,039,234</b>  | <b>20,812,133</b>  |
| <b>Total assets</b>                              | <b>315,177,151</b> | <b>310,944,757</b> |
| <b>Equity</b>                                    |                    |                    |
| Share capital                                    | 48,002,000         | 48,002,000         |
| Other components of equity                       | (4,735,345)        | (4,735,345)        |
| Retained earnings                                | 150,088,209        | 145,383,862        |
| <b>Total equity</b>                              | <b>193,354,864</b> | <b>188,650,517</b> |
| <b>Liabilities</b>                               |                    |                    |
| <b>Non-current</b>                               |                    |                    |
| Bonds  | 1 30,820,835       | 30,740,648         |
| Shareholders' loan                               | 5,203,300          | 5,203,300          |
| Deferred tax liability                           | 21,635,638         | 21,635,638         |
| Other non-current liabilities                    | 5,821,325          | 4,822,306          |
|  | <b>63,481,098</b>  | <b>62,401,892</b>  |
| <b>Current</b>                                   |                    |                    |
| Bank and other borrowings                        | 3,946              | 5,003,946          |
| Bonds  | 1 40,000,000       | 39,929,870         |
| Trade and other payables                         | 18,337,243         | 14,958,532         |
|  | <b>58,341,189</b>  | <b>59,892,348</b>  |
| <b>Total liabilities</b>                         | <b>121,822,287</b> | <b>122,294,240</b> |
| <b>Total equity and liabilities</b>              | <b>315,177,151</b> | <b>310,944,757</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 30 August 2022 and signed on its behalf by:

  
**Alfred Pisani**  
Chairman

  
**Ahmed Wahedi**  
Director

## Statements of changes in equity

|   | Share<br>capital<br>€ | Other<br>components<br>of equity<br>€ | Retained<br>earnings<br>€ | Total<br>equity<br>€ |
|---|-----------------------|---------------------------------------|---------------------------|----------------------|
| 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>   |
| Balance at 1 July 2021                    | 48,002,000            | (1,045,550)                           | 136,544,113               | 183,500,563          |
| Profit for the period                     | -                     | -                                     | 8,839,749                 | 8,839,749            |
| Other comprehensive loss                  | -                     | (3,689,795)                           | -                         | (3,689,795)          |
| Total comprehensive income for the period | -                     | (3,689,795)                           | 8,839,749                 | 5,149,954            |
| <b>Balance at 31 December 2021</b>        | <b>48,002,000</b>     | <b>(4,735,345)</b>                    | <b>145,383,862</b>        | <b>188,650,517</b>   |
| Balance at 1 January 2022                 | 48,002,000            | (4,735,345)                           | 145,383,862               | 188,650,517          |
| Profit for the period                     | -                     | -                                     | 4,704,347                 | 4,704,347            |
| Total comprehensive income for the period | -                     | -                                     | 4,704,347                 | 4,704,347            |
| <b>Balance at 30 June 2022</b>            | <b>48,002,000</b>     | <b>(4,735,345)</b>                    | <b>150,088,209</b>        | <b>193,354,864</b>   |



## Statement of cash flows

|   | 1 January to<br>30 June 2022 | 1 January to<br>30 June 2021 |
|---|------------------------------|------------------------------|
|   | €                            | €                            |
| <b>Operating activities</b>                                   |                              |                              |
| Profit before tax   | 5,648,334                    | 2,948,331                    |
| Adjustments   | 2,534,528                    | 1,910,272                    |
| Net changes in working capital                                | 3,417,134                    | (5,221,472)                  |
| Tax received  | 464,139                      | 309,362                      |
| Tax paid  | -                            | (156,575)                    |
| <b>Net cash generated from (used in) operating activities</b> | <b>12,064,135</b>            | <b>(210,082)</b>             |
| <b>Investing activities</b>                                   |                              |                              |
| Payments to acquire property, plant and equipment             | (1,129,168)                  | (3,359)                      |
| <b>Net cash used in investing activities</b>                  | <b>(1,129,168)</b>           | <b>(3,359)</b>               |
| <b>Financing activities</b>                                   |                              |                              |
| Repayment of other borrowings                                 | (5,000,000)                  | -                            |
| Repayment of bonds  | -                            | (11,950,000)                 |
| Payment of dividends  | -                            | (4,000,000)                  |
| Interest paid   | (200,000)                    | (836,771)                    |
| <b>Net cash used in financing activities</b>                  | <b>(5,200,000)</b>           | <b>(16,786,771)</b>          |
| Net change in cash and cash equivalents                       | 5,734,967                    | (17,000,212)                 |
| Cash and cash equivalents, beginning of year                  | 10,882,420                   | 25,632,066                   |
| <b>Cash and cash equivalents, end of period</b>               | <b>16,617,387</b>            | <b>8,631,854</b>             |

## Notes to the Group Half-Yearly Report

### 1 Bonds

|             | Interest Rate | Jun 2022          | Dec 2021          |
|-------------|---------------|-------------------|-------------------|
|             |               | €                 | €                 |
| Bond VII    | 5.0%          | 40,000,000        | 39,929,870        |
| Bond VIII   | 5.5%          | 19,835,624        | 19,761,197        |
| Bond IX     | 6.0%          | 10,985,211        | 10,979,451        |
|             |               | <b>70,820,835</b> | <b>70,670,518</b> |
| Comprising: |               |                   |                   |
|             |               | Jun 2022          | Dec 2021          |
|             |               | €                 | €                 |
| Current     |               | 40,000,000        | 39,929,870        |
| Non-current |               | 30,820,835        | 30,740,648        |
|             |               | <b>70,820,835</b> | <b>70,670,518</b> |

The maturity date of bond VII is 6<sup>th</sup> July 2022. As at the date of this report, the Company successfully issued a €30 million bond bearing interest at 5.25%. The funds were utilised to repay the maturing €40 million bond with the remaining balance of €10 million repaid out of cash generated by the company.

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

As reported in note 1, the Company issued a €30 million bond for a five-year term at a coupon rate of 5.25%. The proceeds of the bond were utilised to partly redeem Bond VII upon the redemption date in July 2022. The balance of €10 million was paid through cash reserves of the Company set aside for this purpose.

No other 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 Capital Markets Rule 5.75.3 issued by MFSA**

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 2022, 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 Capital Markets Rules 5.81 to 5.84.



**Alfred Pisani**  
Chairman



**Ahmed Wahedi**  
Director