

Mediterranean Investments Holding
p.l.c.

Group Half-Yearly Financial Report
(Unaudited)

For the period 1 January to 30 June 2023

Company registration number: C 37513

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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. (MIH) for the six-month period ended 30 June 2023. 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 2023 and the comparative period in 2022. Prior period marketing and administrative expenses have been reclassified in the statement of total comprehensive income in order to conform with current period presentation. The comparative Statement of Financial Position as at 31 December 2022 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 2023 Group Half-Yearly Report are the same as those adopted in the preparation of the audited financial statements for the year ended 31 December 2022.

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 €13.34 million (2022 - €12.27 million), an 8.7% increase in revenue over the corresponding period the year before. The increase in revenue was driven by both a higher average occupancy percentage rate and by higher average rental rates charged on the residences during the period under review. Operating and administrative expenses remained under control so that the increase in revenue was reflected in a higher operating profit which for the period amounted to €9.32 million (2022 - €8.06 million).

Finance costs continue to decrease primarily following a reduction in the Group's debt. In July 2022, €10 million out of a maturing €40 million bond was redeemed, so the effect of the interest cost reduction was reflected in the first six months of this year compared to the corresponding period last year. Additionally, there were changes in the provision for unrealised differences on exchange, and also reduced interest costs following a gradual repayment of shareholders loans.

The profit before tax for the period under review amounted to €7.44 million (2022 - €5.65 million), a 31.7% increase over the prior period. 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 54.6% (2022: 50.9%).

State of Affairs

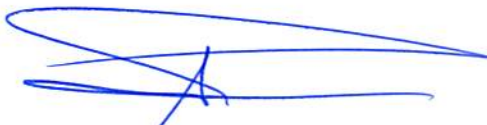
As at the end of the June 2023, the group's assets stood at €314.11 million, up from €305.97 million as at 31 December 2022 mainly due to an increase in cash and cash equivalents and to a lesser extent, increased debtor balances. The latter are cyclical in nature dependant on the terms of the contracts. Most billing is done for rental periods in advance, and this has concurrently led to an increase in current liabilities due to higher deferred income being recorded.

Outlook

On the 31st July 2023, MIH successfully issued a five-year €20 million bond carrying a 5.85% coupon rate. The new bond was offered to the holders of the maturing 5.5% €20 million bond and also to holders of the 5.25% bond maturing in 2027. The offer was heavily oversubscribed with close to €40 million received. The net proceeds were utilised to repay the maturing 5.5% bond.

At Palm City, although there has been no significant change in the political situation in Tripoli, enquiries continue to be received, with some clients willing to sign up a lease agreement faster than others, who would need to undergo longer due diligence processes before committing. Clearly, the oil and gas sector continues to be the primary driver behind such developments, and this is helped in no small part by the presence of associated industry stakeholders within the company's existing portfolio.

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

31 August 2023

Statement of total comprehensive income

	1 January to 30 June 2023	1 January to 30 June 2022
	€	€
Revenue	13,341,271	12,271,182
Operating expenses	(2,870,600)	(3,048,887)
Gross profit	10,470,671	9,222,295
Other income	25,000	-
Administrative expenses	(1,054,296)	(1,035,473)
Marketing expenses	(123,055)	(129,932)
Operating profit	9,318,320	8,056,890
Finance costs	(1,881,484)	(2,408,556)
Profit before tax	7,436,836	5,648,334
Tax expense		
- Current tax	(1,455,734)	(943,987)
Profit for the period	5,981,102	4,704,347
Earnings per share (basic and diluted)	0.125	0.098


Statement of financial position

	30 Jun 2023	31 Dec 2022
	€	€
Assets		
Non-current		
Intangible assets	2,258	2,258
Property, plant and equipment	10,183,715	10,426,379
Investment property	272,567,609	272,567,609
Investment accounted for using the equity method	8,084,098	8,084,098
	290,837,680	291,080,344
Current		
Inventories	1,382,788	1,521,062
Trade and other receivables	8,266,479	5,920,709
Cash and cash equivalents	13,628,020	6,891,963
Tax recoverable	-	555,828
	23,277,287	14,889,562
Total assets	314,114,967	305,969,906
Equity		
Share capital	48,002,000	48,002,000
Other components of equity	(4,662,790)	(4,662,790)
Retained earnings	162,115,676	156,134,574
Total equity	205,454,886	199,473,784
Liabilities		
Non-current		
Bonds	1 40,587,048	40,535,041
Shareholders' loan	3,453,300	5,203,300
Deferred tax liability	21,479,130	21,479,129
Other non-current liabilities	3,889,758	3,540,570
	69,409,236	70,758,040
Current		
Bank and other borrowings	3,670	3,946
Bonds	1 19,987,150	19,910,050
Trade and other payables	16,630,032	13,513,606
Current taxation	2,629,993	2,310,480
	39,250,845	35,738,082
Total liabilities	108,660,081	106,496,122
Total equity and liabilities	314,114,967	305,969,906

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 31 August 2023 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 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
Balance at 30 June 2022	48,002,000	(4,735,345)	150,088,209	193,354,864
Balance at 1 July 2022	48,002,000	(4,735,345)	150,088,209	193,354,864
Profit for the period	-	-	6,046,365	6,046,365
Other comprehensive income	-	72,555	-	72,555
Total comprehensive income for the period	-	72,555	6,046,365	6,118,920
Balance at 31 December 2022	48,002,000	(4,662,790)	156,134,574	199,473,784
Balance at 1 January 2023	48,002,000	(4,662,790)	156,134,574	199,473,784
Profit for the period	-	-	5,981,102	5,981,102
Total comprehensive income for the period	-	-	5,981,102	5,981,102
Balance at 30 June 2023	48,002,000	(4,662,790)	162,115,676	205,454,886

Statement of cash flows

	1 January to 30 June 2023	1 January to 30 June 2022
	€	€
Operating activities		
Profit before tax	7,436,836	5,648,334
Adjustments	2,126,336	2,534,528
Net changes in working capital	605,046	3,417,134
Tax received	555,828	464,139
Tax paid	(1,237,713)	-
Net cash generated from (used in) operating activities	9,486,333	12,064,135
Investing activities		
Payments to acquire property, plant and equipment	-	(1,129,168)
Net cash used in investing activities	-	(1,129,168)
Financing activities		
Repayment of other borrowings	-	(5,000,000)
Repayment of shareholders' loans	(1,750,000)	-
Payment of outstanding dividends	(1,000,000)	-
Interest paid	-	(200,000)
Net cash used in financing activities	(2,750,000)	(5,200,000)
Net change in cash and cash equivalents	6,736,333	5,734,967
Cash and cash equivalents, beginning of year	6,888,017	10,882,420
Cash and cash equivalents, end of period	13,624,350	16,617,387

Notes to the Group Half-Yearly Report

1 Bonds

	Interest Rate	Jun 2023	Dec 2022
		€	€
Bond VIII	5.50%	19,987,150	19,910,050
Bond IX	6.00%	10,996,990	10,990,970
Bond X	5.25%	29,590,058	29,544,071
		60,574,198	60,445,091
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Comprising:		Jun 2023	Dec 2022
		€	€
Current		19,987,150	19,910,050
Non-current		40,587,048	40,535,041
		60,574,198	60,445,091
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The maturity date of bond VIII is 31 July 2023. As at the date of this report, the Company successfully issued a €20 million bond bearing interest at 5.85% maturing in 2028. The funds were utilised to repay the maturing €20 million bond.

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

The maturity date of Bond X is 6 July 2027.

2 Post-reporting date events

As reported in note 1, the Company issued a €20 million bond for a five-year term at a coupon rate of 5.85%. The proceeds of the bond were utilised to redeem Bond VIII upon the redemption date in July 2023.

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 2023, 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