

Mediterranean Investments Holding
p.l.c.

Group Half-Yearly Financial Report
(Unaudited)

For the period 1 January to 30 June 2024

Company registration number: C 37513

Contents

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

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 2024. 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 2024 and the comparative period in 2023. The comparative Statement of Financial Position as at 31 December 2023 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 2024 Group Half-Yearly Report are the same as those adopted in the preparation of the audited financial statements for the year ended 31 December 2023.

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 €15.2 million (2023 - €13.3 million), a 13.9% 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.

Notwithstanding the improved performance, operating profit improved marginally to €9.9 million (2023 - €9.3 million). Since Palm City is treated as an investment property and does not sustain any depreciation charge, all repairs and replacements of a capital nature are expensed through the income statement as and when they are due. In view of the increased occupancy, certain such expenses, which were kept on hold for a number of years, have now become necessary with units and facilities being upgraded in time for immediate occupancy.

Finance costs marginally increased primarily due to exchange differences and a higher coupon rate payable on the bond issued in July 2023.

The consolidated profit before tax for the period under review amounted to €8.0 million (2023 - €7.4 million), a 7.5% increase over the prior period. Libya tax is being provided for on the profits generated at Palm City in these financial statements.

The average occupancy at Palm City Residences for the first six months of the year was 60.7% (2023: 54.6%).

State of Affairs


As at the end of the June 2024, the group's total assets stood at €315.5 million, up from €309.1 million as at 31 December 2023 mainly due to an increase in cash and cash equivalents and financial assets. Total liabilities have also increased, mainly due to increased accruals and deferred income. As at 30 June there was also a dividend balance payable of €2.0 million. The positive working capital position of the Group improved from €1.6 million at the end of last year to €2.2 million at the end of June 2024.

Outlook

Palm City Residences continues to register satisfactory growth. Although the political situation in Libya remains largely unchanged, the relative calm that has reigned over the past two years has led to enough stability allowing foreign investors, as well as diplomatic missions back to Tripoli and Libya. This has manifested itself in a marked rise in occupancy, as well as enquiries since the beginning of this year.

Several enquiries have developed into active lease negotiations, whilst others are still under consideration. The oil and gas sector continues to be the main catalyst for these enquiries, significantly supported by the industry stakeholders already within our portfolio as well as the diplomatic community.


Our proactive management team maintains regular communication with clients to understand their evolving needs and ensures that the property is kept in impeccable condition. This commitment allows Palm City to welcome new clients swiftly once lease agreements are finalized.



Alfred Pisani
Chairman

Registered office:
22, Europa Centre,
Floriana FRN 1400,
Malta

28 August 2024



Ahmed Wahedi
Director

Statement of total comprehensive income

| | 1 January to 30 June 2024 € | 1 January to 30 June 2023 € |
|---|-----------------------------------|-----------------------------------|
| Revenue | 15,189,687 | 13,341,271 |
| Operating expenses | (3,974,749) | (2,870,600) |
| Gross profit | 11,214,938 | 10,470,671 |
| Other income | - | 25,000 |
| Administrative expenses | (1,157,775) | (1,054,296) |
| Marketing expenses | (147,002) | (123,055) |
| Operating profit | 9,910,161 | 9,318,320 |
| Finance income | 13,976 | - |
| Finance costs | (1,994,749) | (1,881,484) |
| Gain in fair value of financial assets | 65,610 | - |
| Profit before tax | 7,994,998 | 7,436,836 |
| Tax expense | | |
| - Current tax | (1,681,082) | (1,455,734) |
| Profit for the period | 6,313,916 | 5,981,102 |
| Earnings per share (basic and diluted) | 0.132 | 0.125 |

Statement of financial position

| | 30 Jun 2024 | 31 Dec 2023 |
|--|--------------------|--------------------|
| | € | € |
| Assets | | |
| Non-current | | |
| Intangible assets | 2,258 | 2,258 |
| Property, plant and equipment | 10,038,877 | 10,166,938 |
| Investment property | 272,587,765 | 272,567,609 |
| Investment accounted for using the equity method | 7,845,472 | 7,845,472 |
| | 290,474,372 | 290,582,277 |
| Current | | |
| Inventories | 1,649,351 | 1,600,441 |
| Trade and other receivables | 5,605,926 | 8,459,799 |
| Financial assets at FVTPL | 7,268,721 | 979,075 |
| Cash and cash equivalents | 10,533,286 | 7,469,970 |
| | 25,057,284 | 18,509,285 |
| Total assets | 315,531,656 | 309,091,562 |
| Equity | | |
| Share capital | 48,002,000 | 48,002,000 |
| Other components of equity | (4,801,730) | (4,801,730) |
| Retained earnings | 163,021,354 | 162,707,438 |
| Total equity | 206,221,624 | 205,907,708 |
| Liabilities | | |
| Non-current | | |
| Bonds | 1 60,331,970 | 60,245,262 |
| Deferred tax liability | 21,143,116 | 21,143,116 |
| Taxation | 1,822,728 | 1,719,964 |
| Security deposits | 3,142,721 | 3,130,194 |
| | 86,440,535 | 86,238,536 |
| Current | | |
| Trade and other payables | 19,703,637 | 14,091,628 |
| Current taxation | 3,165,860 | 2,853,690 |
| | 22,869,497 | 16,945,318 |
| Total liabilities | 109,310,032 | 103,183,854 |
| Total equity and liabilities | 315,531,656 | 309,091,562 |

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 28 August 2024 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 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 |
| Balance at 1 July 2023 | 48,002,000 | (4,662,790) | 162,115,676 | 205,454,886 |
| Profit for the period | - | - | 6,591,762 | 6,591,762 |
| Other comprehensive loss | - | (138,940) | - | (138,940) |
| Total comprehensive income for the period | 48,002,000 | (138,940) | 6,591,762 | 6,452,822 |
| Transactions with owners | | | | |
| Dividend declared | - | - | (6,000,000) | (6,000,000) |
| Balance at 31 December 2023 | 48,002,000 | (4,801,730) | 162,707,438 | 205,907,708 |
| Balance at 1 January 2024 | 48,002,000 | (4,801,730) | 162,707,438 | 205,907,708 |
| Profit for the period | - | - | 6,313,916 | 6,313,916 |
| Total comprehensive income for the period | - | - | 6,313,916 | 6,313,916 |
| Transactions with owners | | | | |
| Dividend declared | - | - | (6,000,000) | (6,000,000) |
| Balance at 30 June 2024 | 48,002,000 | (4,801,730) | 163,021,354 | 206,221,624 |

Statement of cash flows

| | 1 January to 30 June 2024 € | 1 January to 30 June 2023 € |
|---|-----------------------------------|-----------------------------------|
| Operating activities | | |
| Profit before tax | 7,994,998 | 7,436,836 |
| Adjustments | 2,102,990 | 2,126,336 |
| Net changes in working capital | 4,584,428 | 605,046 |
| Tax received | - | 555,828 |
| Tax paid | (1,314,362) | (1,237,713) |
| Net cash generated from (used in) operating activities | 13,368,056 | 9,486,333 |
| Investing activities | | |
| Payments to acquire property, plant and equipment | (56,786) | - |
| Payments to acquire investment property | (20,155) | - |
| Payments to acquire financial assets | (6,241,776) | - |
| Interest received | 13,977 | - |
| Net cash used in investing activities | (6,304,740) | - |
| Financing activities | | |
| Repayment of shareholders' loans | - | (1,750,000) |
| Payment of dividends | (4,000,000) | (1,000,000) |
| Net cash used in financing activities | (4,000,000) | (2,750,000) |
| Net change in cash and cash equivalents | 3,063,316 | 6,736,333 |
| Cash and cash equivalents, beginning of year | 7,469,970 | 6,888,017 |
| Cash and cash equivalents, end of period | 10,533,286 | 13,624,350 |

Notes to the Group Half-Yearly Report

1 Bonds

| | Interest Rate | Jun 2024 | Dec 2023 |
|-------------|---------------|-------------------|-------------------|
| | | € | € |
| Bond IX | 6.00% | 11,000,000 | 11,000,000 |
| Bond X | 5.25% | 29,684,627 | 29,636,045 |
| Bond XI | 5.85% | 19,647,343 | 19,609,217 |
| | | 60,331,970 | 60,245,262 |
| | | | |
| Comprising: | | Jun 2024 | Dec 2023 |
| | | € | € |
| Non-current | | 60,331,970 | 60,245,262 |
| | | 60,331,970 | 60,245,262 |

The maturity date of Bond IX which is an unlisted bond, is 3rd October 2025. This bond was issued 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.

The maturity date of Bond XI is 31 July 2028.


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 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 2024, 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