



STIVALA GROUP FINANCE P.L.C.

Condensed Consolidated
Interim Financial Statements

For the period 01 January 2021 to 30 June 2021

STIVALA GROUP FINANCE P.L.C.
Condensed Consolidated Interim Financial Statements
For the period 01 January 2021 to 30 June 2021

	Pages
Directors' report pursuant to Capital Markets Rules	1 - 2
Condensed Consolidated Interim Financial Statements:	
Condensed Consolidated Interim Statement of Financial Position	3 - 4
Condensed Consolidated Interim Statement of Comprehensive Income	5
Condensed Consolidated Interim Statement of Changes in Equity	6
Condensed Consolidated Interim Statement of Cash Flows	7
Notes to the Condensed Consolidated Interim Financial Statements	8 - 11
Directors' statement pursuant to Capital Markets Rules	12

Interim Directors' Report

This Half-Yearly Report is being published in terms of Chapter 5, Rule 5.75 of the Capital Markets Rules of the Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, Chapter 476 of the Laws of Malta. The condensed set of financial statements included in this report has been extracted from Stivala Group Finance p.l.c.'s unaudited financial information for the six months commencing 01.01.2021 to 30.06.2021 prepared in accordance with International Financial Reporting Standards adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). This half yearly report has not been audited or reviewed by the Company's auditors.

Principal Activities

The Group's main business is the acquisition of real estate for long term investment purposes, principally in Gzira, Msida, Sliema and St. Julians areas. Once acquired, the Group is engaged in the development of these properties and their conversion into residential and commercial properties. All properties are retained by the Group to generate rental revenues both from short letting and tourist accommodation as well as from long-term residential, office and retail lets.

Business Review

During the six-month period that ended on 30 June 2021, the Company registered a loss before tax of -€385,623 (€2,261,870 June 2020) and a net loss from distribution of property of -€8,162,201 (€12,968,824 less €21,131,025), resulting in a total comprehensive loss of -€9,361,403.

The COVID-19 pandemic continued to present us with extraordinary circumstances and the Company continued with the commitment to safeguard the health and safety of its staff, customers and all other stakeholders as a matter of utmost priority and is complying with the guidance of the Maltese Authorities.

The Group took this particular time as an opportunity to refurbish Bayview Hotel in Gzira with an investment of €2.5mil. The hotel will now host its guests into superior modern facilities, including revamped public areas, brand new guest rooms and new catering facilities, including the restaurant and an innovative Lounge Bar. The 136-guest room Bayview Hotel now also boasts new spa facilities, including an indoor pool, jacuzzi and sauna, while a major facelift was given to the hotel's outdoor pool and terrace areas.

The net assets of the company at the end of the period amounted to €189,469,733 (€231,436,832 Dec 2020)

On 26 April 2021, Carlo Stivala relinquished his ownership interest in the Stivala Group and in consideration, certain immovable properties owned by Carmelo Stivala Group Limited and North Harbour Limited (a company which does not form part of Stivala Group) were transferred to CAST Holdings Limited (a company that is ultimately owned by Carlo Stivala and his descendants).

The share capital of Stivala Group Finance plc has been reduced by pursuant to the cancellation of the shares held by Mr. Carlo Stivala and Carmelo Stivala Trustee Ltd as trustee of Mr Carlo Stivala and his descendants. Following such reduction, the share capital was increased in equal parts by the remaining shareholders of Stivala Group Finance plc in satisfaction of listing rules and Companies Act requirements. Accordingly, following the execution of the above transaction, the remaining ultimate beneficial owners of the Issuer are Martin John Stivala, Ivan Stivala and Michael Stivala, together with their direct descendants and families, in equal proportions.

The published figures have been extracted from the unaudited interim financial statements for the six-month period ending 30 June 2021.

Interim Directors' report - continued

Dividends

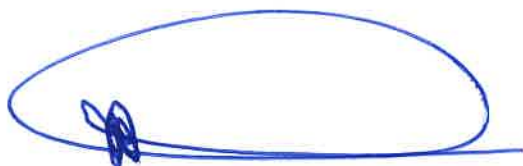
The Board of Directors has resolved to determine the extent of any dividend distribution for 2021 on the basis of the full year results. Accordingly, no dividends are declared upon the issue of the results for the six-month period ended 30 June 2021.

Director`s statement pursuant to Capital Markets Rules

We hereby confirm that to the best of our knowledge:

1. the condensed consolidated Interim financial statements gives a true and fair view of the financial position of the ompany as at 30 June 2021 and of its financial performance and its cash flows for the period then ended in accordance with the IFRS as adopted by the EU applicable to Interim Financial Reporting (IAS 34)
2. the interim directors' report includes a fair review of the information required in terms of Capital Markets Rules 5.81.1]

Approved by the Board of Directors on 24th August 2021 and signed on its behalf by:



Michael Stivala
Director



Ivan Stivala
Director



Martin John Stivala
Director

Registered Office:
Bayview Hotel
143, The Strand
Gzira
GZR1026
Malta

STIVALA GROUP FINANCE P.L.C.
Condensed Consolidated Interim Financial Statements
For the period 01 January 2021 to 30 June 2021

Condensed Consolidated Interim Statement of financial position

	Notes	As at 30.06.21 (unaudited) €	As at 31.12.20 (audited) €
ASSETS			
Non-current assets			
Intangible Assets		27,072	26,952
Right of use Asset		620,719	815,512
Investment Property		30,897,493	34,337,699
Property, plant and equipment	3	240,190,185	230,621,283
Property held for distribution		0	59,947,736
Deferred Tax asset		0	4,959,080
Investment in associates	4	500	354,844
		<u>271,735,969</u>	<u>331,063,106</u>
Current Assets			
Inventory	5	8,558	8,558
Trade and other receivables		6,207,948	6,652,026
Bank and cash equivalents	2	759,187	592,023
Other Financial Assets		15,632,923	15,753,525
		<u>22,608,617</u>	<u>23,006,132</u>
Total Assets		<u>294,344,586</u>	<u>354,069,238</u>

STIVALA GROUP FINANCE P.L.C.
Condensed Consolidated Interim Financial Statements
For the period 01 January 2021 to 30 June 2021

Condensed Consolidated Interim Statement of financial position - continued

		As at 30.06.21 (unaudited) €	As at 31.12.20 (audited) €
EQUITY AND LIABILITIES	Notes		
Capital and reserves			
Called up issued share capital	6	255,000	300,000
Redeemable Pref Shars		0	0
Retained earnings		21,103,106	30,464,508
Revaluation Reserve		168,111,628	200,672,324
Total Equity		189,469,733	231,436,832
LIABILITIES			
Non-current liabilities			
Long term Borrowings	7	21,300,570	20,003,708
Other non current-liabilities	8	59,620,000	59,610,000
Finance Lease liability		616,400	646,088
Deferred tax liability	9	6,699,000	25,880,637
Total Non current liabilities		88,235,970	106,140,433
Current liabilities			
Trade and other payables		9,008,847	9,570,738
Finance Lease liability		158,717	194,992
Short term borrowings	2	3,531,030	3,743,624
Current tax liabilities		3,940,289	2,982,619
Total Current liabilities		16,638,883	16,491,973
Total equity and liabilities		294,344,585	354,069,238

The notes on pages 8 to 11 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 3 to 12 were authorised for issue by the Board on 24th August 2021 and were signed on its behalf by :

Michael Stivala
Director

Martin Stivala
Director

Ivan Stivala
Director

STIVALA GROUP FINANCE P.L.C.
Condensed Consolidated Interim Financial Statements
For the period 01 January 2021 to 30 June 2021

Condensed Consolidated Statement of comprehensive Income

	Notes	6 months 2021 (unaudited) €	6 months 2020 (unaudited) €
Revenue	10	5,488,344	8,070,654
Cost of sales		(442,007)	(723,375)
Gross operating Profit		5,046,337	7,347,279
Other Net operating costs		(1,950,526)	(1,870,081)
Ebitda		3,095,812	5,477,198
Depreciation & Amortisation		(1,800,696)	(1,583,770)
Operating Profit		1,295,116	3,893,428
Share of results of associated undertakings		(400)	(664)
Change in fair value of investment property		0	0
Net Finance Costs		(1,680,339)	(1,630,894)
Profit before tax		(385,623)	2,261,870
Reversal of deferred tax in relation to directors divestiture		12,968,824	0
Taxation		(813,579)	(664,563)
Profit/(Loss) for the period		11,769,622	1,597,307
Other Comprehensive Income			
Profit/(Loss) on distribution of property		(21,131,025)	0
Total Comprehensive income		(9,361,403)	1,597,307

Condensed Consolidated Interim Statement of changes in Equity

	Share Capital €	Revaluation Reserve €	Retained Earnings €	Total €
At 31 Dec 2020	300,000	200,672,324	30,464,508	231,436,832
Profit for the period	0	0	(9,361,403)	(9,361,403)
Dividends Paid	0	0	0	0
Total Comprehensive income	0	0	(9,361,403)	(9,361,403)
Reversal of revaluation on property taken over upon divestiture	0	(32,560,696)	0	(32,560,696)
Reduction in Share Capital	(75,000)			(75,000)
Issue of Share capital	30,000	0	0	30,000
At 30 June 2021	255,000	168,111,628	21,103,105	189,469,733

STIVALA GROUP FINANCE P.L.C.
Condensed Consolidated Interim Financial Statements
For the period 01 January 2021 to 30 June 2021

Condensed Consolidated Interim Statement of Cash Flows

	Notes	6 months 2021 Unaudited €	6 months 2020 Unaudited €
Net cash from operating activities		2,421,042	4,618,716
Net cash from investing activities		-6,834,648	-3,891,106
Net cash from financing activities		1,049,740	780,497
Net movement in cash and cash equivalents		-3,363,866	1,508,107
Cash and cash equivalents at beginning of year		592,023	651,951
Cash and cash equivalents at end of year		-2,771,843	2,160,058
Cash and cash equivalents at beginning of year			
Cash at bank and in hand	2	759,187	2,286,159
Bank balance overdrawn	2	-3,531,030	-126,102
		-2,771,843	2,160,058

Notes to the condensed consolidated interim financial statements

1 Basis of operation

These condensed consolidated interim financial statements have been prepared in accordance with Internal Accounting Standards 34 - 'Interim Financial Reporting', and have been extracted from the company's unaudited accounts for the six month period commencing 01 January 2021 to 30 June 2021. The half yearly results have been published in terms of the Capital Markets Rules of the Malta Financial Services Authority.

1.1 Foreign Currency Translation

(a) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in euro, which is the company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1.2 Investment Property

Investment Property comprises residential apartments and commercial properties leased out to third parties.

The Group's Land and Buildings were revalued during May 2020 by an independent firm of architects having appropriate recognised professional qualifications and experience in the location and category of the properties being valued. The Directors have reviewed the valuations of the properties.

Notes to the condensed consolidated interim financial statements - continued

2 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2021 Unaudited €
Cash at bank and in hand	759,187
Bank balance overdrawn	-3,531,030
	-2,771,843

Cash at bank is included within current assets whilst bank overdrafts are included within the current liabilities (Short-term borrowings) in the statement of financial position.

3 Property, Plant & Equipment

The fair value is based on a valuation made by an independent professional architect on 31st May 2020.

4 Investment in Associates

Company	<u>Registered Address</u>	<u>% of ordinary capital held</u>
		2021
Platinum Developments Ltd	143, The strand, Gzira GZR 1026, Malta	50
Civala Limited	Vincenti Buildings 22/25, Strait street, Valletta, VLT1432, Malta.	50
Sliema Creek Lido Limited	No.2, Geraldu Farrugia Street Zebbug, ZBG 4351, Malta	33.33
Aqualuna Lido Limited	No.2, Geraldu Farrugia Street Zebbug, ZBG 4351, Malta	33.33

Notes to the condensed consolidated interim financial statements - continued

5	Inventory	2021
		Unaudited
		€
	Goods held for resale	8,558
		8,558
6	Share capital	2021
		Unaudited
		€
	Authorised	
	500,000 ordinary shares of €1 each	500,000
		500,000
	Called up issued and fully paid-up	
	255,000 ordinary shares of €1 each	255,000
		255,000

Each ordinary share gives the right to 1 vote, participates equally in profits distributed by the company and carries equal rights upon the distribution of assets by the company in the event of a winding up.

7 Long Term Borrowings

Bank Loans

The bank loans are secured by a general hypothec over the company's assets, by guarantees of the parent company, by a special hypothec over property in Gzira, by pledges taken over various insurance policies, and by personal guarantees of the directors. A bank loan amounting to €9,187,530 bears interest at 3% per annum and is repayable at monthly installments of €61,516 inclusive of interest. Another loan amounting to €4,000,000 bears interest at 4% per annum and is repayable at aggregate monthly instalments of €40,605 inclusive of interest. On 11th October 2018 another loan drawdown was granted amounting to €5,000,000 bearing an interest rate of 4% and is repayable over 120 months commencing on 1st May 2019 of €50,755 monthly installments inclusive interest. On the 4th of June, the Group applied for the MBD COVID-19 Assist loan which has been fully utilised. The loan bears interest rate of 2.5% per annum and it is repayable over a period of 6 years. During 2021 ST Hotels took a loan of €2,300,000 to refurbish Bayview Hotel at The Strand in Gzira. The loan bears interest rate of 4% per annum and it is repayable over a period of 11 years. The first year of the loan has moratorium on both capital and interest.

Notes to the condensed consolidated interim financial statements - continued

8 Other non current liabilities

	2021 Unaudited €
Face value	60,000,000
Bond issue costs	-600,000
Bond issue costs amortisation b/f	210,000
Bond issue costs amortisation for the period	10,000
Amortised cost as at 30 June 2021	59,620,000

9 Deferred tax liability

	2021 Unaudited €
Revaluation of property	6,699,000
	6,699,000

10 Revenue

The revenue is generated mainly from rental income of €2,771,931 (€3,534,970 June 2020) from various properties and the operation of three 3 star hotels (Bayview Hotel, Azur Hotel & Sliema Hotel) and Blubay Suits and Apartments, which generated €2,461,413 (€3,076,931 June 2020).

The effect of the hotel accommodation revenue is directly related to the COVID 19 Pandemic, while the decrease in the rental income is related to the distribution of property to Carlo Stivala. During the first 6 months of the year, the company rented out the remaining six floors of office space at ST Balluta Business Centre in St. Julians.

STIVALA GROUP FINANCE P.L.C.
Condensed Consolidated Interim Financial Statements
For the period 01 January 2021 to 30 June 2021

Directors' statement Pursuant to Capital Market Rule 5.75.3

I confirm to the best of my knowledge:

- the condensed consolidated interim financial information gives a true and fair view of the financial position of the group from 01st January 2021 to 30th June 2021, and of its financial performance and its cash flows 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 Standards 34, 'Interim Financial Reporting');

- the Interim Directors' report includes a fair review of the information required in terms of Capital Market Rule 5.81 to 5.84.



Mr. Michael Stivala
Director