



**Stivala Group
Finance p.l.c.**

STIVALA GROUP FINANCE P.L.C.

Condensed Consolidated
Interim Financial Statements

For the period 01 January 2024 to 30 June 2024

STIVALA GROUP FINANCE P.L.C.
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For the period 01 January 2024 to 30 June 2024

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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 01.01.2024 to 30.06.2024 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. Most 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 2024, the Company registered a profit before tax of €4,475,452 (profit of €20,994,255 June 2023). The difference in profit before tax is mainly attributable to sale of property in 2023 and an adjustment in the Expected Credit Losses (ECL) in 2023.

The Maltese economy continues to grow robustly driven by strong exports and domestic demand. Tourism flows bounced back to well above pre-pandemic levels and the strong inflow of workers is boosting domestic demand. After reaching 5.6% GDP growth in 2023, the Maltese economy is expected to achieve a growth rate of 4.4% in 2024 and 4.3% in 2025. The government deficit stood at 4.9% of GDP in 2023, and it is expected to only gradually decrease in 2024 and 2025. Thanks to robust nominal GDP growth, the public debt-to-GDP ratio is forecast to increase only slightly despite the still high primary deficit.

Throughout the year, the Group has continued to invest and expand its property portfolio. The development of ST Tower in Ta' Xbiex is now in a complete state, which has been finished high-quality standards. The Group is now actively marketing ST Tower's commercial space for lease. Additionally, the construction of the international branded ACCOR 'Novotel Malta Sliema' is nearing completion, with finishing works progressing well. This property will be ST Hotels' first 4-star hotel, featuring 293 rooms. The Novotel Hotel will also offer meeting, conference and events facilities, spacious spa amenities complete with an indoor heated swimming pool, a roof top panoramic fitness centre and an infinity pool overlooking the magnificent capital city of Valletta. The hotel is scheduled to open in March 2025.

ST Hotels plans to further expand its 4-star offerings by the demolition of the ST Sliema Hotel and reconstructing it as an international brand ACCOR Movenpick Hotel. The demolition of the Sliema property is expected to be in Q4 of 2024.

Through its portfolio of 3-star hotels, self-catering apartments and the newly constructed Novotel, ST Group is committed to maintaining consistency in product development and services offerings in one of Malta's prime locations.

The published figures have been extracted from the unaudited interim financial statements for the six-month period ending 30 June 2024.

Interim Directors' report - continued

Dividends

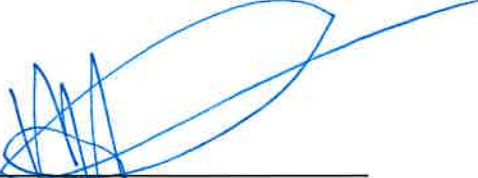
The Board of Directors has resolved to determine the extent of any dividend distribution for 2024 on the basis of the full year results. Accordingly, no dividends are declared upon the issue of the results for the six-month period ended 30 June 2024.

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 company as at 30 June 2024 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 27th August 2024 and signed on its behalf by:



Michael Stivala
CEO & Executive Director



Ivan Stivala
Chairman & Executive Director



Martin John Stivala
Executive Director

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

STIVALA GROUP FINANCE P.L.C.
Condensed Consolidated Interim Financial Statements
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Condensed Consolidated Interim Statement of financial position

		As at 30.06.24 (unaudited) €	As at 31.12.23 (audited) €
	Notes		
ASSETS			
Non-current assets			
Intangible Assets		36,510,800	36,509,600
Right of use Asset		293,164	203,934
Investment Property	3	213,346,744	213,443,800
Property, plant and equipment	3	195,747,658	180,630,232
Deferred Tax asset		8,455,788	10,240,518
Investment in associates	4	294,368	280,334
		<u>454,648,522</u>	<u>441,308,418</u>
Current Assets			
Inventory	5	31,945	25,556
Property held for sale	5	2,744,801	2,919,629
Trade and other receivables		11,720,117	11,582,941
Bank and cash equivalents	2	1,601,914	730,112
Other Financial Assets		12,745,197	13,095,197
		<u>28,843,974</u>	<u>28,353,435</u>
Total Assets		<u>483,492,497</u>	<u>469,661,853</u>

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Condensed Consolidated Interim Statement of financial position - continued

		As at 30.06.24 (unaudited) €	As at 31.12.23 (audited) €
EQUITY AND LIABILITIES	Notes		
Capital and reserves			
Called up issued share capital	6	255,000	255,000
Retained earnings		71,071,115	67,112,217
Revaluation Reserve		261,160,764	261,160,764
Total Equity		332,486,879	328,527,981
LIABILITIES			
Non-current liabilities			
Long term Borrowings	7	34,784,967	27,145,419
Other non current-liabilities	8	59,820,000	59,790,000
Finance Lease liability		197,628	172,360
Deferred tax liability		32,327,635	30,409,757
Total Non current liabilities		127,130,231	117,517,536
Current liabilities			
Current borrowings	2,7	11,527,544	11,311,262
Trade and other payables		11,088,274	10,798,886
Finance Lease liability		101,805	52,684
Current tax liabilities		1,157,765	1,453,504
Total Current liabilities		23,875,388	23,616,336
Total equity and liabilities		483,492,497	469,661,853

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 23rd August 2023 and were signed on its behalf by :



Michael Stivala
 Director



Martin John Stivala
 Director



Ivan Stivala
 Director

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Condensed Consolidated Statement of comprehensive Income

	Notes	6 months Jan - Jun 2024 (unaudited) €	6 months Jan - Jun 2023 (unaudited) €
Revenue	9	14,535,797	25,796,706
Cost of sales		(3,597,042)	(6,849,562)
Gross operating Profit		<u>10,938,755</u>	<u>18,947,144</u>
Other Net operating costs		(1,980,561)	(2,170,673)
EBITDA		<u>8,958,194</u>	<u>16,776,471</u>
Depreciation & Amortisation		(2,238,233)	(1,838,418)
Operating Profit		<u>6,719,961</u>	<u>14,938,053</u>
Share of results of associated undertakings		14,034	13,445
Dividend income		123,250	63,750
ECL provision	10	(111,262)	8,057,776
Net Finance Costs		(2,270,531)	(2,078,769)
Profit before tax		<u>4,475,452</u>	<u>20,994,255</u>
Taxation		(516,554)	(4,039,077)
Profit for the period		<u>3,958,898</u>	<u>16,955,178</u>
Total Comprehensive income		<u><u>3,958,898</u></u>	<u><u>16,955,178</u></u>

Condensed Consolidated Interim Statement of changes in Equity

	Share Capital €	Revaluation Reserve €	Retained Earnings €	Incentives & Benefits €	Total €
At 31 Dec 2023	255,000	261,160,764	67,112,217	0	328,527,981
Profit for the period	0	0	3,958,898	0	3,958,898
Dividends Paid	0	0	0	0	0
Total Comprehensive income	0	0	3,958,898	0	3,958,898
At 30 June 2024	255,000	261,160,764	71,071,115	0	332,486,879

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Condensed Consolidated Interim Statement of Cash Flows

	Notes	6 months Jan - Jun 2024 Unaudited €	6 months Jan - Jun 2023 Unaudited €
Net cash from operating activities		13,298,781	7,138,386
Net cash from investing activities		(16,295,320)	(11,696,339)
Net cash from financing activities		5,123,798	5,072,569
Net movement in cash and cash equivalents		2,127,259	514,616
Cash and cash equivalents at beginning of year		(2,129,083)	90,397
Cash and cash equivalents at end of year		(1,824)	605,013
Cash and cash equivalents at beginning of year	2	(1,824)	605,013

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 2024 to 30 June 2024. 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.

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:

	Jan - Jun 2024 Unaudited €
Cash at bank and in hand	1,601,914
Bank overdrafts	(1,603,738)
	(1,824)

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 a Directors on 31st December 2021.

4 Investment in Associates

Company	<u>Registered Address</u>	<u>% of ordinary capital held</u>
		Jan - Jun 2024
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, Geraldus Farrugia Street Zebbug, ZBG 4351, Malta	33.33
Aqualuna Lido Limited	No.2, Geraldus Farrugia Street Zebbug, ZBG 4351, Malta	33.33

Notes to the condensed consolidated interim financial statements - continued

5	Inventory	Jan - Jun 2024
		Unaudited
		€
	Goods held for resale	31,945
	Property for resale	2,744,801
		2,776,746
6	Share capital	Jan - Jun 2024
		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 Executive Directors. A bank loan amounting to €7,859,769 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 2020, the Group applied for the MBD COVID-19 Assist loan amounting to €5,000,000 which 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 amounting to €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. During 2022 Carmelo Stivala Group Ltd took a temporary increase of €2,600,000 to honour a promise of sale, which will was converted to loan. During 2023 Carmelo Stivala Group took a loan of €10,000,000 to part finance the construction of ST Tower in Ta' Xbiex. During 2024 the Group signed the loan deed of €16,000,000 to finance the construction delopement Novotel Hotel in Gzira and anther loan of €4,500,000 to acquire property for future development.

Notes to the condensed consolidated interim financial statements - continued

8 Other non current liabilities

	Jan - Jun 2024
	Unaudited
	€
Face value	60,000,000
Bond issue costs	(600,000)
Bond issue costs amortisation b/f	390,000
Bond issue costs amortisation for the period	30,000
Amortised cost as at 30 June 2023	59,820,000

9 Revenue

The revenue is generated mainly from rental income of €4,131,610 (€4,212,179 June 2023) from various properties, the operation of three 3 star hotels (Bayview Hotel, Azur Hotel, Sliema Hotel and Alavits hotel) and Blubay Apartments and Valletta View Apartment, which generated €9,455,059 (€7,306,160 June 2023). Carmelo Stivala Group Ltd generated €949,128 from the remaining properties available for sale at Msida Park Residence in Gzira and a plot in Handaq (€14,278,366 June 2023). The bulk of the sales for both projects was made during 2023.

10 Revision of ECL Provision

The revision of ECL provision in 2023 was derived from a balance between Carmelo Stivala Group and North Harbour Limited which is projected to be paid over 2 years.

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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 1st January 2024 to 30th June 2024, 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