



**HILI
PROPERTIES**

Hili Properties plc
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COMPANY ANNOUNCEMENT

**The following is a Company Announcement issued by Hili Properties p.l.c. (the “Company”)
in terms of Listing Rule 5.16.20**

QUOTE

The Company hereby announces that the Board of Directors has approved the Company’s half yearly financial report and unaudited Interim Financial Statements for the period ending 30th June 2022.

The Financial Statements are attached herewith and are also available for viewing on the Company’s website:

<https://hiliproperties.com/companys-financial-statements/>

UNQUOTE

By order of the Board



Mr. Adrian Mercieca
Company Secretary

30 August 2022



Hili Properties p.l.c.

Interim Financial Report (Unaudited)

For the period 1 January 2022 to 30 June 2022

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Hili Properties p.l.c.

Interim Directors' Report Pursuant to the Capital Market Rules 5.75.2

For the period ended 30 June 2022

Pursuant to the Capital Market Rules 5.75.2 for period 1 January to 30 June 2022

The directors present their interim report, together with the unaudited interim condensed financial statements of the Company and its subsidiaries (the “group”) (“the condensed interim financial statements”) for the period from 1 January 2022 to 30 June 2022.

Principal activities

The principal activity of the Hili Properties p.l.c. group is to hold and rent immovable property. Hili Properties p.l.c. also acts as a holding company.

Business model

Hili Properties is a strategic investor in commercial real estate in Europe’s most thriving cities and up-and-coming locations. Driven to build value and growth through expert, effective asset management, Hili Properties is focused on realizing potential, nurturing relationships with communities, and enhancing tenant experience.

Performance review

The published figures have been extracted from the unaudited management financial statements for the half-year ended 30 June 2022 and its comparative period in 2021.

The Group

During the period under review, the group has registered an operating profit of €3,028,690 (June 2021: €2,228,168) on revenues of €5,078,144 (June 2021: €3,788,519). After accounting for finance costs and investment losses, the group registered a profit before tax of €672,824 (June 2021: €694,885).

The group’s net assets at the end of the period amounted to €111,280,267 compared to €110,880,921 as at 31 December 2021. The outlook of the operating activity of the Group is expected to remain positive.

Earnings before interest, tax and depreciation (EBITDA) for the current period amount to Eur4,174,382 as compared to the comparative period of 30 June 2021 Interim financial report of Eur2,387,559. The higher EBITDA achieved during the current period is attributed to the operations of the newly acquired subsidiaries over the prevailing period.



Hili Properties p.l.c.

Interim Directors' Report Pursuant to Capital Market Rules 5.75.2 (continued)

For the period ended 30 June 2022

Performance review (continued)

In the first quarter of the year, the group has successfully concluded the acquisition of a major shopping centre in Latvia, and also finalised the acquisition of the shares in Harbour APM, holding the Benghajsa Land, which accounts to around 92,000 sqm of land. These two acquisitions have taken up the total square meters owned by the group from 94,813 sqm in December 2021 to 194,676 sqm by June 2022. Likewise, investment property has increased from €124,625,723 in December 2021 to €170,163,731 by June 2022.

In accordance with the company's strategic plans, as at the period end, the group has also successfully disposed of 2 of the properties held for sale, with the third property being sold in July 2022.

The company

During the period ended 30 June 2022, the company registered a loss before tax of €1,415,594 (June 2021: €1,478,116). The net assets of the company at the end of the period amounted to €92,822,619 compared to €94,261,840 as at 31 December 2021.

Future outlook

The group continues managing its current portfolio of properties, and to acquire and dispose of properties as necessary with the purpose of meeting the needs of its business operations.

Fundamental aim is to grow the portfolio with attractively located, high quality, income-producing investment properties to deliver income and capital growth through active asset management. The group intention is to source its investment opportunities mainly through the Group's extensive network of relationships, which includes the corporate and private landlords, brokers, domestic banks and others.

Looking at the economic environment, inflation levels have increased worldwide and specifically in the EU where the group operates the Harmonised Index of Consumer Prices (HICP) inflation is now expected to average an all-time high. The value of the Group's property portfolio may fluctuate as a result of the above along with other factors outside the Group's control, such as changes in regulatory requirements and applicable laws, geopolitical effects, the condition of financial markets, potentially adverse tax consequences and interest rates.



Hili Properties p.l.c.

Interim Directors' Report Pursuant to the Capital Market Rules 5.75.2 (continued)

For the period ended Irrespective of global macro issues that currently exist, the group owns a solid portfolio of real assets which provide strong cash flow. Having already acquired a prestigious industrial asset towards the end of 2021 and other prime commercial assets in the first and third quarter of 2022, the group remains committed to the execution of its plan, to grow its portfolio of assets responsibly and sustainably across Europe and share its value with all our stakeholders.
30 June 2022

Listing and IPO Issue

Hili Properties Plc, as the parent company of the Hili Properties plc group, was successfully listed on the Malta Stock Exchange on the 26th of October 2021, with the first trading day of its ordinary shares being on 22 December 2021 (“IPO”).

The IPO has resulted in the listing of the Company’s equity and an increase of the issued share capital, with the total number of shares issued of 100,892,700. All shares of the Company are ordinary shares, with a nominal value of Eur0.20 each, and all have the same shareholders’ rights.

The authorised share capital of the Company was increased from *Eur60,000,000* to *Eur120,000,000* and the issued and called up share capital of the Company was increased from *Eur40,400,000* to *Eur60,000,000*.



Hili Properties p.l.c.

Interim Directors' Report Pursuant to Capital Market Rules 5.75.2 (continued)

For the period ended 30 June 2022

Post balance sheet events

On the 3rd of August 2022 the group acquired 75% of the issued share capital of Baneasa Real Estate S.R.L., owner of MIRO Office Building in Bucharest. The Company has also agreed to enter into an SPA for the acquisition of the remaining 25% in 2 years' time. The acquisitions being made during the year are in line with the prospectus issued in October 2021, whereby from the original targeted acquisitions amounting to around 30Million in 2022, the group has already increased its investment property by around 80Million, excluding the Benghajsa land.

MIRO Office Building is a newly built A Class mixed-use property developed in the Baneasa area, with approx. 23,000 sqm of leasable area spread out over 5 levels and with a 1,700 sqm outdoor plaza. It features a convenient location, right on DN1 National Road of Bucharest, providing direct access to the city centre, the northern business hubs and the airport. Its extensive list of reputable tenants includes KPMG, Rovere, COS, Eaton, Neoclinique, Speedwell, Stradale/Mitzu, Jura and Hisky.

Miro has been designed to be a unique, inspiring place of work, with a layout and facilities that shape a motivating space. The property was developed with a focus on the well-being of its occupants and on sustainability as evidenced by its BREEAM 'Excellent' and WELL 'Platinum' certifications. Miro is a testimony to the group's vision to leave a positive impact on the communities it invests through sustainable buildings.



Hili Properties p.l.c.

Interim Directors' Report Pursuant to the Capital Market Rules 5.75.2 (continued)

For the period ended 30 June 2022

Preparation of the Condensed Consolidated Interim Financial Statements

This report is being published in terms of the Listing Rule 5.75.2 of the Capital Market Rules issued by the Listing Authority and has been prepared in accordance with the applicable Capital Market Rules and International Accounting Standard 34 - Interim Financial Reporting. This half-yearly report comprises the reviewed (but not audited) condensed consolidated interim financial statements. The financial statements published in this half-yearly report have been condensed in accordance with the requirements of IAS 34. These financial statements have been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. The comparative statements have been extracted from the audited financial statements for the year ended 31 December 2021 and the management accounts for the period ending 30 June 2022.

Approved by the board of directors and signed on its behalf on the 30th August 2022 by:

A handwritten signature in blue ink, appearing to be 'P. Demajo'.

Pier Luca Demajo
Chairman

A handwritten signature in black ink, appearing to be 'G. Kakouras'.

Georgios Kakouras
Managing Director



Hili Properties p.l.c.

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2022

	Group		Holding Company	
	1 Jan - 30 Jun 2022	1 Jan - 30 Jun 2021	1 Jan - 30 Jun 2022	1 Jan - 30 Jun 2021
	Unaudited	Unaudited	Unaudited	Unaudited
	€	€	€	€
Revenue	5,078,144	3,788,519	45,000	45,000
Other operating income	15,464	28,296	-	-
Administrative expenses	(2,064,918)	(1,588,647)	(1,010,345)	(718,273)
Operating profit/ (loss)	3,028,690	2,228,168	(965,345)	(673,273)
Net investment losses	(459,393)	(800)	-	-
Finance income	1,577,529	132,124	789,696	482,266
Finance costs	(3,474,002)	(1,664,607)	(1,239,945)	(1,287,109)
Profit/(loss) before taxation	672,824	694,885	(1,415,594)	(1,478,116)
Income tax (expense)/credit	(267,408)	(169,914)	(23,627)	41,525
Profit/(loss) for the period	405,416	524,971	(1,439,221)	(1,436,591)
Other comprehensive income for the period:				
Exchange differences on translation of foreign operation	(6,070)	(37,301)	-	-
Total comprehensive income/(expense) for the period	399,346	487,670	(1,439,221)	(1,436,591)



Hili Properties p.l.c.

Condensed Statement of Financial Position

As at 30 June 2022

	<i>Notes</i>	Group		Holding Company	
		30 June 2022 Unaudited €	31 December 2021 Audited €	30 June 2022 Unaudited €	31 December 2021 Audited €
ASSETS AND LIABILITIES					
Non-current assets					
Intangible assets		15,712	15,688	15,665	15,665
Property, plant and equipment		71,410	75,392	1,976	2,415
Investment property	5	170,163,731	124,625,723	2,500,000	2,500,000
Property held for sale		-	11,970,000	-	3,700,000
Investment in subsidiaries	6	-	-	54,979,939	29,979,939
Deposit on acquisition of investment	6	-	24,500,000	-	24,500,000
Loans and receivables		1,225,136	1,225,136	47,691,944	34,919,408
Trade and other receivables	7	129,932	127,254	-	-
Deferred tax assets		295,687	295,687	-	-
Right-of-use asset		100,721	114,312	-	-
Restricted cash		2,239,356	1,803,507	-	-
Total non-current assets		174,241,685	164,752,699	105,189,524	95,617,427
Current assets					
Loans and receivables		154,894	3,089,432	33,461,380	21,794,056
Trade and other receivables	7	6,186,638	3,439,797	417,512	2,385,730
Property held for sale		5,400,000	-	3,700,000	-
Current tax assets		221,015	220,655	219,954	219,940
Cash and cash equivalents		31,659,454	37,193,295	1,198,214	26,714,686
Total current assets		43,462,001	43,943,179	38,997,060	51,114,412
Total assets		217,703,686	208,695,878	144,186,584	146,731,839



Hili Properties p.l.c.

Condensed Statement of Financial Position (continued)

As at 30 June 2022

	Notes	Group		Holding Company	
		30 June 2022 Unaudited €	31 December 2021 Audited €	30 June 2022 Unaudited €	31 December 2021 Audited €
Current liabilities					
Trade and other payables	8	3,758,938	3,299,242	2,032,879	1,921,507
Other financial liabilities		-	721,802	3,421,228	2,706,106
Lease liability		29,254	32,864	-	-
Bank loans	9	5,033,838	4,796,331	-	-
Current tax liability		732,168	481,809	23,627	-
Total current liabilities		9,554,398	9,332,048	5,477,734	4,627,613
Non-current liabilities					
Other financial liabilities		302,028	62,682	8,575,716	10,570,184
Bank loans	9	53,765,163	47,703,593	-	-
Other payables	8	509,929	509,929	-	-
Debt securities in issue	10	36,747,768	36,709,455	36,747,768	36,709,455
Lease liability		71,805	84,945	-	-
Deferred tax liabilities		5,472,328	3,412,305	562,747	562,747
Total non-current liabilities		96,869,021	88,482,909	45,886,231	47,842,386
Total liabilities		106,423,419	97,814,957	51,363,965	52,469,999
Net assets		111,280,267	110,880,921	92,822,619	94,261,840
EQUITY					
Share capital		80,178,540	80,178,540	80,178,540	80,178,540
Legal reserve		151,385	151,385	-	-
Other reserve		(496,331)	(496,331)	(496,331)	(496,331)
Share premium		6,973,027	6,973,027	6,973,027	6,973,027
Loss offset reserve		748,427	748,427	748,427	748,427
Foreign exchange reserve		(292,312)	(286,242)	-	-
Retained earnings		24,017,531	23,612,115	5,418,956	6,858,177
Total equity		111,280,267	110,880,921	92,822,619	94,261,840

Pier Luca Demajo
Chairman

Georgios Kakouras
Managing Director



Hili Properties p.l.c.

Condensed Statement of Changes in Equity

For the period ended 30 June 2022

Group	Share capital €	Loss offset reserve €	Legal Reserve €	Other reserve €	Share premium €	Currency translation reserve €	Retained earnings €	Attributable to owners of the parent €	Non-controlling interest €	Total €
Balance at 1 January 2021	41,592,000	748,427	144,938	-	-	(255,097)	16,082,568	57,120,836	514,354	57,635,190
Acquisition of minority interest	-	-	-	-	-	-	231,665	231,665	(231,665)	-
Profit for the period	-	-	-	-	-	-	331,610	331,610	24,664	356,274
Exchange differences on translation of foreign operation	-	-	-	-	-	(34,203)	-	(34,203)	-	(34,203)
Balance at 30 June 2021	41,592,000	748,427	144,938	-	-	(289,300)	16,645,843	57,649,908	307,353	57,957,261
Balance at 1 January 2022	80,178,540	748,427	151,385	(496,331)	6,973,027	(286,242)	23,612,115	110,880,921	-	110,880,921
Profit for the period	-	-	-	-	-	-	405,416	405,416	-	405,416
Exchange differences on translation of foreign operation	-	-	-	-	-	(6,070)	-	(6,070)	-	(6,070)
Balance at 30 June 2022	80,178,540	748,427	151,385	(496,331)	6,973,027	(292,312)	24,017,531	111,280,267	-	111,280,267

Hili Properties p.l.c.

Condensed Statement of Changes in Equity (continued)

For the period ended 30 June 2022

Holding	Share capital	Loss offset	Other	Share	Accumulated	Total
	€	reserve	reserve	premium	losses	
	€	€	€	€	€	€
Balance at 1 January 2021	41,592,000	748,427	-	-	(1,513,285)	40,827,142
Loss for the period	-	-	-	-	(1,436,591)	(1,436,591)
Balance at 30 June 2021	41,592,000	748,427	-	-	(2,949,876)	39,390,551
Balance at 1 January 2022	80,178,540	748,427	(496,331)	6,973,027	6,858,177	94,261,840
Loss for the period	-	-	-	-	(1,439,221)	(1,439,221)
Balance at 30 June 2022	80,178,540	748,427	(496,331)	6,973,027	5,418,956	92,822,619

Hili Properties p.l.c.



Condensed Statement of Cash Flows

For the period ended 30 June 2022

	Group		Holding Company	
	1 Jan - 30 Jun 2022	1 Jan - 30 Jun 2021	1 Jan - 30 Jun 2022	1 Jan - 30 Jun 2021
	Unaudited	Unaudited	Unaudited	Unaudited
	€	€	€	€
Cash flows from operating activities				
Cash flow generated from/ (used in) operations	3,278,411	2,502,313	664,435	(1,424,409)
Interest paid	(1,022,650)	(780,217)	(336,652)	(377,982)
Interest received	81,201	88,017	795,529	482,266
Income tax paid	(108,022)	(326,307)	(14)	(144,041)
Net cash flows from/ (used in) operating activities	2,228,940	1,483,806	1,123,299	(1,464,166)
Cash flows from investing activities				
Additions to investment property	(476,695)	(694,773)	-	-
Acquisition of subsidiaries	(12,517,564)	-	(500,000)	-
Loans granted to related parties	-	-	(25,235,389)	(351,872)
Proceeds from disposal of investment property	2,372,527	-	-	-
Net cash flows used in investing activities	(10,621,732)	(694,773)	(25,735,389)	(351,872)
Cash flows from financing activities				
Proceeds from bank loans	-	4,938,740	-	-
Proceeds from loans from related parties	5,000,000	-	-	1,207,839
Repayment of bank loans	(1,698,059)	(1,706,911)	-	-
Repayment of loans granted by related parties	(1,071)	(1,097,419)	(904,381)	-
Transfers to restricted cash	(435,849)	(404,698)	-	-
Net cash flows from financing activities	2,865,021	1,729,712	(904,381)	1,207,839
Net movement in cash and cash equivalents	(5,527,771)	2,518,745	(25,516,472)	(608,199)
Cash and cash equivalents at the beginning of the year	37,193,295	3,058,382	26,714,686	629,986
Effects of translation from functional currency to presentation currency	(6,070)	(37,301)	-	-
Cash and cash equivalents at the end of the period	31,659,454	5,539,826	1,198,214	21,787

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

1. Basis of preparation

The condensed interim financial statements for the six months ending on 30 June 2022 have been extracted from the unaudited management accounts of the Group and the Company and have been prepared in accordance with IAS 34 - *Interim Financial Reporting*.

Hili Properties p.l.c. is the group's ultimate parent company and is a public limited company incorporated in Malta with registration number C57954. The registered address of the holding company is Nineteen Twenty-Three, Valletta Road, Marsa. As disclosed in note 9, it has bonds issued on the Malta Stock Exchange.

2. Significant accounting policies

The condensed consolidated interim financial statements as at end of 30 June 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, "Interim Financial Reporting"). The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's and holding company's annual financial statements for the year ended 31 December 2021, and corresponding interim period.

(i) Other pronouncements

Other accounting pronouncements which have become effective from 1 January 2021 and have therefore been adopted do not have a significant impact on the group's and holding company's financial results or position.

Standards, amendments, and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

Several new, but not yet effective, standards, amendments to existing standards, and interpretations have been published by the IASB. None of these standards, amendments or Interpretations have been adopted early by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations neither adopted nor listed by the Group have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

3. Judgements and estimates

When preparing the condensed consolidated interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

3. Judgements and estimates (continued)

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the condensed consolidated interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the group's and holding company's annual financial statements for the year ended 31 December 2021.

4. Segmental Reporting

The segment reporting of the group is made in terms of the location which it conducts its business in, as the risks and rates of return are affected predominantly by differences in the services provided in the different locations. The group is currently organised into five main business segments: Malta, Latvia, Estonia, Lithuania and Romania. Each of these operating segments is managed separately as each of these lines requires local resources. All inter segment transfers for management services are carried out on a cost basis.

The accounting policy for identifying segments is based on internal management reporting information that is regularly reviewed by the chief operating decision maker.

Each of these operating segments is managed separately as each of these lines requires local resources. All inter segment transfers for management services are carried out on a cost basis.

Revenue reported below represents revenue generated from external customers. There were no intersegment sales in the period. The group's reportable segments under IFRS 8 are direct sales attributable to each line of business.

Measurement of operating segment profit or loss, assets and liabilities

Segment profit represents the profit earned by each segment after allocation of central administration costs based on services provided. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the reportable segments are the same as the group's accounting policies. Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to consolidated totals are reported below:

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

4. Segmental Reporting (continued)

	Group	
	1 January to 30 June 2022	1 January to 30 June 2021
	Unaudited	Unaudited
	€	€
Profit before taxation		
Total profit for reportable segments	2,738,987	1,752,366
Unallocated amounts:		
Finance costs	(1,245,778)	(870,814)
Other unallocated amounts	(820,385)	(186,667)
	672,824	694,885
Assets		
	30 June 2022	31 December 2021
	Unaudited	(Audited)
	€	€
Total assets for reportable segments	267,768,953	179,866,581
Elimination of inter segment receivables	(139,509,836)	(91,950,510)
Unallocated amounts		
Non-current assets held for sale	3,700,000	27,000,000
Other financial assets	15,712	18,081
Loans and receivables	83,735,482	64,220,477
Current tax asset	375,228	219,937
Cash and Cash equivalents	1,198,214	26,714,685
Other unallocated amounts	-	2,682
	217,703,686	208,695,878
Liabilities		
	30 June 2022	31 December 2021
	Unaudited	(Audited)
	€	€
Total liabilities for reportable segments	180,303,789	125,239,821
Elimination of inter segment payments	(141,467,702)	(101,031,838)
Unallocated amounts		
Trade and other payables	1,825,754	2,495,351
Other financial assets	23,339,758	33,839,398
Current tax liabilities	111,305	-
Debt securities in issue	36,747,768	36,709,455
Deferred tax liabilities	562,747	562,747
	106,423,419	97,814,957

The Group's revenue and results from continuing operations and information about its net assets by reportable segment are detailed below:

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

4. Segmental reporting (continued)

1 January to 30 June 2022	Malta	Latvia	Estonia	Lithuania	Romania	Total	Unallocated	Eliminations	Consolidated
								adjustments	
	€	€	€	€	€	€	€	€	€
Revenue	780,616	2,475,759	54,998	148,787	1,572,984	5,033,144	45,000	-	5,078,144
Profit (loss) before tax	749,627	1,207,102	54,225	36,537	691,496	2,738,987	(1,450,343)	(615,820)	672,824
Depreciation and amortisation	(86)	(26,635)	-	-	(396)	(27,117)	(440)	-	(27,557)
Finance costs	(165,708)	(1,355,340)	-	(239,664)	(467,511)	(2,228,223)	(1,245,778)	-	(3,474,001)
Income tax expense	(234,098)	(49)	-	(5,394)	(4,240)	(243,781)	(23,627)	-	(267,408)
Segment assets	98,737,924	139,007,699	2,161,741	15,514,263	41,987,142	297,408,770	166,735,464	(246,440,549)	217,703,686
Investment property	50,873,398	72,137,596	1,600,000	4,720,000	38,332,737	167,663,731	2,500,000	-	170,163,731
Additions to investment property	25,773,398	19,771,379	-	-	-	45,544,777	-	-	45,544,777
Segment liabilities	46,478,107	95,038,753	926,710	13,241,731	24,690,282	180,375,583	67,515,538	(141,467,702)	106,423,419

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

4. Segmental reporting (continued)

1 January to 30 June 2021	Malta €	Latvia €	Estonia €	Lithuania €	Romania €	Total €	Unallocated €	adjustments €	Consolidated €
Revenue	800,832	1,332,197	54,998	144,453	1,456,039	3,788,519	-	-	3,788,519
Profit (loss) before tax	378,231	711,346	45,834	97,013	519,942	1,752,366	(870,814)	(186,667)	694,885
Depreciation and amortisation	(526)	(27,146)	-	-	(395)	(28,067)	-	-	(28,067)
Finance costs	(137,311)	(229,603)	-	(11,655)	(415,224)	(793,793)	(870,814)	-	(1,664,607)
Income tax expense	(152,653)	(64)	-	(13,637)	(3,560)	(169,914)	-	-	(169,914)
Segment assets	100,378,548	46,945,226	2,176,041	4,914,868	41,611,600	196,026,283	8,271,803	(51,458,834)	152,839,252
Investment property	30,549,999	30,496,116	1,700,000	4,860,000	38,196,827	105,802,942	-	-	105,802,942
Additions to investment property	-	-	-	-	694,773	694,773	-	-	694,773
Segment liabilities	31,197,652	31,220,268	933,923	2,532,879	26,650,865	92,535,587	48,608,647	(51,467,733)	89,676,501

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

5. Investment property

Group	Retail/ commercial properties €	Office properties €	Other properties €	Group total €
1 January 2021 (audited)	70,901,315	31,347,841	2,950,000	105,199,156
Acquired on business combination	20,730,000	-	-	20,730,000
Additions	678,422	-	-	678,422
Increase in fair value	1,644,837	-	750,000	2,394,837
Decrease in fair value	(555,860)	-	-	(555,860)
Exchange differences	(109,871)	-	-	(109,871)
Transferred to property held for sale	-	-	(3,700,000)	(3,700,000)
Reclassifications	9,157,357	(9,168,318)	-	(10,961)
At 1 January 2022 (audited)	102,446,200	22,179,523	-	124,625,723
Additions	45,528,863	15,915	-	45,544,777
Disposals	(7,624)	-	-	(7,624)
Exchange differences	855	-	-	855
At 30 June 2022 (unaudited)	147,968,294	22,195,438	-	170,163,731

Holding company	Office properties €	Other properties €	Group total €
At 1 January 2021 (audited)	2,500,000	2,950,000	5,450,000
Increase in fair value	-	750,000	750,000
Transfer to property held for sale	-	(3,700,000)	(3,700,000)
At 1 January 2022 (audited)	2,500,000	-	2,500,000
Additions	-	-	-
At 30 June 2022 (unaudited)	2,500,000	-	2,500,000

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

5. Investment property (continued)

The fair value of investment properties amounts to *€170,163,731* (2021: *€124,625,723*). The directors are of the opinion that the fair value of the investment properties did not alter significantly from the values reported in December 2021.

6. Investment in subsidiaries

Holding Company	30 June 2022 Unaudited €	31 December 2021 Audited €
Balance at the beginning of the period	29,979,939	29,977,245
Acquisition of subsidiary	25,000,000	2,694
Balance at the end of the period	54,979,939	29,979,939

During the course of the period ending 30 June, 2022, the company has successfully concluded the acquisition of shares in Harbour APM (Investments). As a result, the amount of *Eur24,500,000* was transferred from deposit on acquisition of investment, to shares in subsidiaries.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

7. Trade and other receivables

	Group		Holding company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Unaudited €	Audited €	Unaudited €	Audited €
Trade receivables	473,169	242,704	417,512	2,071
Other receivables	5,160,035	381,088	-	145,888
Amounts due from related parties	-	141,748	-	240
Amounts due from parent	-	2,229,279	-	2,175,000
Prepayments and accrued income	683,366	572,232	-	62,531
Total trade and other receivables	6,316,570	3,567,051	417,512	2,385,730
Less: amounts expected to be settled within 12 months	(6,186,638)	(3,439,797)	(417,512)	(2,385,730)
Amounts expected to be settled after 12 months (shown under non-current assets)	129,932	127,254	-	-

No interest is charged on trade and other receivables.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

8. Trade and other payables

	Group		Holding company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Unaudited €	Audited €	Unaudited €	Audited €
Trade payables	2,860,243	510,495	2,030,013	98,789
Amounts due to other related parties	-	554,732	-	552,336
Amounts due to group companies	-	-	-	-
Amounts due to ultimate parent company	409,513	217,843	2,866	210,659
Other payables	437,700	838,911	-	50,566
Accruals and deferred income	561,411	1,687,190	-	1,009,157
Total trade and other payables	4,268,867	3,809,171	2,032,879	1,921,507
Less: amounts expected to be settled within 12 months	(3,758,938)	(3,299,242)	(2,032,879)	(1,921,507)
Amounts expected to be settled after 12 months (shown under non-current liabilities)	509,929	509,929	-	-

No interest is charged on trade and other payables.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

9. Bank loans

	Group		Holding company	
	30 June 2022 Unaudited €	31 December 2021 Audited €	30 June 2022 Unaudited €	31 December 2021 Audited €
Bank loans	58,799,001	52,499,924	-	-
Less: amount due for settlement within 12 months (shown under current liabilities)	(5,033,838)	(4,796,331)	-	-
Amount due for settlement after 12 months	<u>53,765,163</u>	<u>47,703,593</u>	<u>-</u>	<u>-</u>

Bank loans are payable as follows:

	Group		Holding company	
	30 June 2022 Unaudited €	31 December 2021 Audited €	30 June 2022 Unaudited €	31 December 2021 Audited €
On demand within one year	5,033,838	4,796,331	-	-
Between one and five years	21,808,142	22,775,436	-	-
After five years	31,957,021	24,928,157	-	-
	<u>58,799,001</u>	<u>52,499,924</u>	<u>-</u>	<u>-</u>

The group's bank loans facilities bear effective interest of around 4% p.a.

The facilities are secured by special hypothecs over the investment property of the group, a general hypothec over the assets of the group, guarantees provided by other related party and a pledge over rent receivable from the company's tenants.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

10. Debt securities in issue

	Group and holding company	
	30 June 2022 Unaudited €	31 December 2021 Audited €
4.5% unsecured bonds redeemable 2025	36,747,768	36,709,455

In October 2015, the Company issued 370,000 4.5% unsecured bonds of a nominal value of €100 per bond. The bonds are redeemable at their nominal value in 2025. Interest on the bonds is due and payable annually on 16 October of each year.

The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bond is net of direct issue costs of €766,271 which are being amortised over the life of the bond. The market value of debt securities on the last trading day before the statement of financial position date was €37,555,000 (2021: €37,925,000). The bonds are guaranteed by Harbour (APM) Investments Limited and Hili Estates Limited. The full terms of the guarantee are disclosed in the bond prospectus.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

11. Related party transactions

During the period, the Company and the group entered into transactions with related parties set out below.

Group	1 Jan - 30 Jun 2022			1 Jan - 30 Jun 2021		
	Related party activity	Total activity		Related party activity	Total activity	
	€	€	%	€	€	%
Revenue:						
Related party transactions with:						
Parent company	213,347	-		210,408	-	
Other related parties	1,090,098	-		1,008,899	-	
	<u>1,303,444</u>	<u>5,078,144</u>	26%	<u>1,219,307</u>	<u>3,788,519</u>	32%
Administrative expenses						
Related party transactions with:						
Parent company	350,000	-		350,000	-	
	<u>350,000</u>	<u>2,064,918</u>	17%	<u>350,000</u>	<u>1,588,647</u>	22%
Finance income						
Related party transactions with:						
Parent company	61,438	-		128,931	-	
Other related parties	1,510,881	-		-	-	
	<u>1,572,319</u>	<u>1,577,529</u>	99%	<u>128,931</u>	<u>132,124</u>	98%
Finance cost						
Related party transactions with:						
Other related parties	1,511,057	-		42,691	-	
	<u>1,511,057</u>	<u>3,474,002</u>	43%	<u>42,691</u>	<u>1,664,607</u>	3%

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

11. Related party transactions (continued)

Holding company	1 Jan - 30 Jun 2022 Unaudited			1 Jan - 30 Jun 2021 Unaudited		
	Related party activity €	Total activity €	%	Related party activity €	Total activity €	%
Administrative expenses						
Related party transactions with:						
Parent company	350,000	-		350,000	-	
	350,000	1,010,345	35%	350,000	718,273	49%
Finance income						
Related party transactions with:						
Subsidiaries	795,529	-		396,787	-	
Other related parties	-	-		85,479	-	
	795,529	789,696	100%	482,266	482,266	100%
Finance cost						
Related party transactions with:						
Subsidiaries	369,131	-		373,604	-	
Other related parties	5,834	-		42,691	-	
	374,965	1,239,945	30%	416,295	1,287,109	32%

No expense has been recognised in the period for bad or doubtful debts in respect of amounts due by related parties and there are no provisions for doubtful debts in respect of outstanding amounts due by related parties.

12. Fair values of financial assets and financial liabilities

At 30 June 2022 and 31 December 2021, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

12. Fair values of financial assets and financial liabilities (continued)

The fair values of the debt securities in issue are disclosed in Note 9. The fair values of the other non-current financial liabilities and the non-current financial assets are not materially different from their carrying amounts due to the fact that the interest rates are considered to represent market rates at the year end. The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories below have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the company and the group determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

The following table provides an analysis of financial instruments that are not measured subsequent to initial recognition at fair value, other than those with carrying amounts that are reasonable approximations of fair value, and other than investments in subsidiaries, associates and jointly controlled entities, grouped into Levels 1 to 3.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

12. Fair values of financial assets and financial liabilities (continued)

Group	Level 1	Level 2	Level 3	Total	Carrying
	€	€	€	€	amount
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
2022					
Financial assets					
Loans and receivables					
- receivables from related parties	-	-	1,380,030	1,380,030	1,380,030
- trade and other receivables	-	-	5,633,204	5,633,204	5,633,204
As at 30 June 2022	-	-	7,013,234	7,013,234	7,013,234
Financial liabilities					
Financial liabilities at amortised cost					
- other financial liabilities	-	-	302,028	302,028	302,028
- trade and other payables	-	-	4,268,867	4,268,867	4,268,867
- bank borrowings	-	58,799,001	-	58,799,001	58,799,001
- debt securities	36,747,768	-	-	36,747,768	36,747,768
As at 30 June 2022	36,747,768	58,799,001	4,570,895	100,117,664	100,117,664
	Level1	Level2	Level3	Total	Carrying
	€	€	€	€	amount
	Audited	Audited	Audited	Audited	Audited
2021					
Financial assets					
Deposit on the acquisition of investment	-	24,500,000	-	24,500,000	24,500,000
Loans and receivables					
- receivables from related parties	-	-	4,314,568	4,314,568	4,314,568
- trade and other receivables	-	-	2,994,819	2,994,819	2,994,819
As at 31 December 2021	-	24,500,000	7,309,387	31,809,387	31,809,387

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

12. Fair values of financial assets and financial liabilities (continued)

	Level 1	Level 2	Level 3	Total	Carrying amount
	€	€	€	€	€
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Financial liabilities					
Financial liabilities at amortised cost					
- other financial liabilities	-	-	784,484	784,484	784,484
- trade and other payables	-	-	3,809,171	3,809,171	3,809,171
- bank borrowings	-	52,499,924	-	52,499,924	52,499,924
- debt securities	36,709,455	-	-	36,709,455	36,709,455
As at 31 December 2021	36,709,455	52,499,924	4,593,655	93,803,034	93,803,034

	Level 1	Level 2	Level 3	Total	Carrying amount
	€	€	€	€	€
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Holding company					
2022					
Financial assets					
Loans and receivables					
- receivables from related parties	-	-	81,153,324	81,153,324	81,153,324
- trade and other receivables	-	-	417,512	417,512	417,512
As at 30 June 2022	-	-	81,570,836	81,570,836	81,570,836

	Level 1	Level 2	Level 3	Total	Carrying amount
	€	€	€	€	€
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Financial liabilities					
Financial liabilities at amortised cost					
- other financial liabilities	-	-	11,996,944	11,996,944	11,996,944
- trade and other payables	-	-	2,032,879	2,032,879	2,032,879
- debt securities	36,747,768	-	-	36,747,768	36,747,768
As at 30 June 2022	36,747,768	-	14,029,823	50,777,591	50,777,591

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2022

12. Fair values of financial assets and financial liabilities (continued)

	Level 1	Level 2	Level 3	Total	Carrying amount
	€	€	€	€	€
	Audited	Audited	Audited	Audited	Audited
2021					
Financial assets					
Deposit on the acquisition of investment	-	24,500,000	-	24,500,000	24,500,000
Loans and receivables					
- receivables from related parties	-	-	56,713,464	56,713,464	56,713,464
- trade and other receivables	-	-	2,323,199	2,323,199	2,323,199
As at 31 December 2021	-	24,500,000	59,036,663	83,536,663	83,536,663
Financial liabilities					
Financial liabilities at amortised cost					
- other financial liabilities	-	2,706,106	10,570,184	13,276,290	13,276,290
- trade and other payables	-	-	1,921,507	1,921,507	1,921,507
- debt securities	36,709,455	-	-	36,709,455	36,709,455
As at 31 December 2021	36,709,455	2,706,106	12,491,691	51,907,252	51,907,252

Hili Properties p.l.c.

Statement Pursuant to Listing Rule 5.75.3 issued by the Listing Authority

For the period ended 30 June 2022

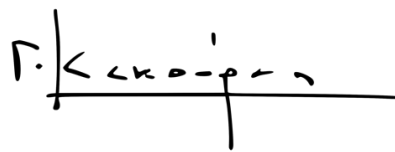
We confirm that to the best of our knowledge:

- a) The condensed interim financial statements give a true and fair view of the financial position of Hili Properties p.l.c. (the “company”) and its subsidiaries (the “group”) As at 30 June 2022, and the financial performance and cash flows of the company and the group for the six month period then ended, which have been prepared 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
- b) The interim Directors’ report includes a fair review of the information required in terms of the Capital Market Rules 5.81 to 5.84.

Approved by the Board of Directors on the 30th August, 2022 and signed on its behalf by:



Pier Luca Demajo
Chairman



Georgios Kakouras
Managing Director