



JD Capital plc
HHF 303/304,
Hal Far Industrial Estate,
Birzebbuga BBG 3000
Malta

COMPANY ANNOUNCEMENT

Approval of interim financial statements. Update on Series II Bonds

Date of Announcement	24 August, 2023
Reference	JDC 71/2023

QUOTE

Approval of interim financial statements

During the meeting of the Board of Directors of JD Capital p.l.c. (the “**Company**”) held today 24 August, 2023, the Board of Directors of the Company approved the Company’s interim financial statements for the six-month period ended 30 June, 2023.

The interim financial statements are attached herewith and are also available for viewing on the website of the Company at <http://www.jsdimech.com/investor-relations/>.

Update on Series II Bonds

Reference is made to the following company announcements published by the Company:

- (i) announcement JDC 68/2023 dated 12 July 2023 relative to the issue of €11,000,000 6% secured bonds 2033 (the “**Series II Bonds**”), constituting the second series of a secured bond issuance programme of a maximum of €25,000,000 (the “**Secured Bond Issuance Programme**”) issued pursuant to a base prospectus dated 3 October 2022 (the “**Base Prospectus**”); and
- (ii) announcement JDC 69/2023 dated 21 July 2023 relative to the part-release of the proceeds raised through the issuance of the Series II Bonds, in the amount of €7.0 million, in favour of the Company by Alter Domus Trustee Services (Malta) Limited (C 63887) (the “**Security Trustee**”).

As explained in the said company announcements, and in accordance with the security trust deed dated 28 September 2022, the Security Trustee had custody of the portion of the Series II Bonds proceeds in the amount of €4.0 million, to be utilised for the purpose of financing the development of the commercial office block in Birkirkara described in section 6.2.5 of the Base Prospectus, until such time as the funds are deployed in respect of such development.



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Since the publication of announcement JDC 69/2023, the amount of €2.0 million has been released by the Security Trustee, in favour of the Company (the “**First Transfer**”). The First Transfer has been effected for the purpose of enabling the Company to front finance the initial works which are to be undertaken on the said project in Birkirkara, consisting of the financing of site mobilisation and excavation, and the procurement of building and finishes materials including reinforcement steel, concrete, aluminium, steel, wrought iron, large scale glass formats, curtain walling, and façade cladding. The remaining €2.0 million are expected to be released by the Security Trustee, in favour of the Company, over the course of the first half of 2024 in one or more instalments.

Further updates on the development of the project in Birkirkara will be published in due course.

UNQUOTE

By order of the Board of Directors of the Company

Dr. Malcolm Falzon
Company Secretary



JD CAPITAL PLC

**Condensed Interim Consolidated Financial Statements
(Unaudited)**

for the six months period ended 30 June 2023

Company registration No.: C 82098



JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2023

CONTENTS

	<u>Page</u>
General information	2
Interim Directors' report	3
Directors' declaration	4
Condensed interim consolidated statement of comprehensive income	5
Condensed interim consolidated statement of financial position	6
Condensed interim consolidated statement of changes in equity	7
Condensed interim consolidated statement of cash flows	8
Notes to the condensed interim consolidated financial statements	9 - 11



JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2023

GENERAL INFORMATION

Registration

JD Capital PLC is registered in Malta as a public limited liability company under the Companies Act (Cap 386). The company's registration number is C 82098.

Directors

Josef Dimech
Jesmond Manicaro
Stephen Muscat
Jonathan Pace
Stanley Portelli

Company secretary

Jesmond Manicaro	(resigned 1 February 2023)
Malcolm Falzon	(appointed 1 February 2023)

Registered office

HHF 303 Industrial Estate
Hal Far
Birzebbugia BBG 3000
Malta

Bankers

Bank of Valletta p.l.c. 58, Zachary Street Valletta VLT 1130 Malta	Izola Bank p.l.c 53/58 East Street Valletta VLT 1251 Malta
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Auditors

RSM Malta
Mdina Road
Zebbug ZBG 9015
Malta



JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2023

INTERIM DIRECTORS' REPORT

This Half-Yearly report is being published in terms of Chapter 5 of the Capital Market Rules and the Prevention of Financial Markets Abuse Act, 2005. The Half-Yearly Report comprises the condensed interim consolidated financial statements for the six months ended 30 June 2023 prepared in accordance with the International Accounting Standard (IAS) 34, *Interim Financial Reporting* of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Principal Activity

The principal object of JD Capital PLC ("the Company") is that of a parent holding company and financing company for its subsidiaries. The Company has two subsidiaries, namely, JD Operations Limited and JD Birkirkara Limited (collectively, referred to as "the Group").

The main operation of the Group is with JD Operations Limited. JD Operations Limited is involved in the manufacture and installation of steel and aluminium works for large scale projects relating to the construction industry. Therefore, projects tend, on average, to be undertaken over an extended period, and final invoicing will be made after this reporting period. The Group also holds an investment property which is registered under its subsidiary JD Birkirkara Limited, a property holding company.

Review of the Business and Results

During the six months period ended 30 June 2023, the Group posted an unaudited pre-tax profit of €216,827, while pre-loss profit of €18,708 was posted in the same period last year. The Directors expect the general level of operating activity to be sustained in the forthcoming six months.

Events after the end of the reporting period

There were no events after the end of the reporting period that materially affected the financial position of the Group or of the Company, or that require mention in this report.

Approved by the Board of Directors on 24 August 2023 and signed on its behalf by

Josef Dimech
Director

Stephen Muscat
Director



JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2023

DIRECTORS' DECLARATION

We hereby confirm that to the best of our knowledge:

- The condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2023, and of its financial performance and cash flows for the six-month period then ended in accordance with IAS 34, *Interim Financial Reporting*; and
- The Interim Directors' Report includes a fair review of the information required in terms of Chapter 5 of the Capital Market Rules.

Josef Dimech
Director

Stephen Muscat
Director

24 August 2023

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2023 to 30.06.2023 (Unaudited) €	01.01.2022 to 30.06.2022 (Unaudited) €
Revenue	5,242,498	4,524,331
Cost of sales	(3,850,564)	(3,873,183)
Gross profit	1,391,934	651,148
Selling and distribution expenses	(87,033)	(47,449)
General and administrative expenses	(693,286)	(400,152)
Other income	131,436	98,431
Operating profit	743,051	301,978
Finance income	25,363	20,749
Finance costs	(638,220)	(300,462)
Other losses	-	(221)
Impairment on financial assets	86,633	(40,752)
(Loss)/profit before tax	216,827	(18,708)
Tax	(148,436)	(91,548)
(Loss)/profit for the year	68,391	(110,256)
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Revaluation of land and buildings, net of tax	-	141,666
Total comprehensive income for the year	68,391	31,410
Earnings per share	0.01	(0.01)



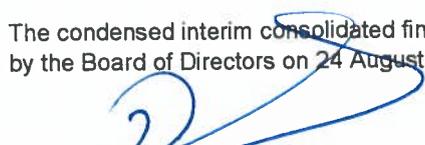
JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2023

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30.06.2023 (Unaudited) €	31.12.2022 (Audited) €
ASSETS			
Non-current assets			
Property, plant and equipment		3,031,410	3,016,257
Right of use asset		24,576,694	19,795,453
Investment property		5,625,800	5,494,000
Intangible assets		224,497	224,497
Financial assets at amortised cost		1,688,500	1,663,556
Trade and other receivables		1,058,353	2,313,207
		36,205,254	32,506,970
Current assets			
Financial assets at amortised cost		6,105,431	5,394,194
Inventories		1,225,783	1,364,007
Contract assets		9,496,210	6,516,976
Trade and other receivables		9,458,355	10,812,500
Cash and cash equivalents		231,276	891,483
		26,517,055	24,979,160
TOTAL ASSETS		62,722,309	57,486,130
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		7,546,700	7,546,700
Revaluation reserve		12,456,800	7,856,800
Retained earnings		1,470,003	1,401,612
TOTAL EQUITY		21,473,503	16,805,112
Non-current liability			
Borrowings	3	16,774,804	17,049,983
Lease liabilities		3,421,336	3,446,530
Trade and other payables		3,081,269	3,564,311
Deferred tax liabilities		2,038,230	1,638,230
Non-current tax liabilities		438,508	459,192
		25,754,147	26,158,246
Current liabilities			
Borrowings	3	2,907,116	3,085,932
Lease liabilities		48,604	45,156
Contract liabilities		4,630,339	2,889,500
Current tax liabilities		1,076,981	1,071,911
Trade and other payables		6,831,619	7,430,273
		15,494,659	14,522,772
TOTAL LIABILITIES		41,248,806	40,681,018
TOTAL EQUITY AND LIABILITIES		62,722,309	57,486,130

The condensed interim consolidated financial statements on pages 5 - 11 were approved and authorised for issue by the Board of Directors on 24 August 2023 and signed on its behalf by:


Josef Dimech
Director


Stephen Muscat
Director



JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2023

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital €	Revaluation Reserve	Retained earnings €	Total €
Six months period ended 30 June 2022:				
Balance at 1 January 2022	7,546,700	7,856,800	1,183,295	16,586,795
Total comprehensive income for the period:				
<i>Loss for the period</i>	-	-	(110,256)	(110,256)
<i>Other comprehensive income</i>	-	141,666	-	141,666
Balance at 30 June 2022	7,546,700	7,998,466	1,073,039	16,618,205
Six months period ended 30 June 2023:				
Balance at 1 January 2023	7,546,700	7,856,800	1,401,612	16,805,112
Total comprehensive income for the period:				
<i>Profit for the period</i>	-	-	68,391	68,391
<i>Other comprehensive income</i>	-	4,600,000	-	4,600,000
Balance at 30 June 2023	7,546,700	12,456,800	1,470,003	21,473,503



JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2023

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	01.01.2023 to 30.06.2023 (Unaudited) €	01.01.2022 to 30.06.2022 (Unaudited) €
Cash flows from operating activities		
(Loss)/profit before tax	216,827	(18,708)
Adjustments for:		
Finance cost	638,220	300,462
Depreciation expense	348,004	421,455
Impairment of financial assets	(86,633)	40,752
Amortisation of bond issue costs	14,984	5,618
Loss on disposal of property, plant and equipment	-	221
Finance income	(25,363)	(20,749)
Cash from operations before working capital changes	1,106,039	729,051
Increase in inventories	138,224	(1,452,457)
Decrease/(increase) in trade and other receivables and contract assets	(994,839)	1,015,665
Increase in trade and other payables and contract liabilities	374,290	991,755
Cash from operating activities	623,714	1,284,014
Interest paid	(55,643)	(58,738)
Income taxes paid	(164,050)	(207,750)
Net cash flows from/(used in) operating activities	404,021	1,017,526
Cash flows from investing activities		
Acquisition of property, plant and equipment and investment property	(276,198)	(263,517)
Proceeds from disposal of property, plant and equipment	-	579
Repayment of loans receivable	-	-
Movement in amounts due from related company	(24,944)	(1,602,665)
Net cash flows (used in)/from investing activities	(301,142)	(1,865,603)
Cash flows from financing activities		
Proceeds from short-term borrowings	-	2,287,050
Repayment of bank borrowings	(486,665)	(406,918)
Interest paid	(159,017)	(278,326)
Interest paid on lease liabilities	(86,851)	(87,793)
Payments on finance leases	(21,746)	(17,777)
Movement in amount due to ultimate shareholder and related company	-	-
Net cash flows from financing activities	(754,279)	1,496,236
Net movement in cash and cash equivalents	(651,400)	648,159
Cash and cash equivalents at beginning of period	882,676	(140,054)
Cash and cash equivalents at end of period	231,276	508,105



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements for the six-month period ended 30 June 2023 have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

In addition, results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with those of the Group's financial statements for the year ended 31 December 2022. In addition, the Group has adopted the new and revised standards and amendments which are effective for annual periods beginning 1 January 2023. The application of these new standards and interpretations did not have any material impact on the amounts reported for the current and prior periods.

Use of judgements and estimates

In preparing condensed interim consolidated financial statements, the Board of Directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

There have been no material revisions to the nature and estimates of amounts reported in prior periods. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at 31 December 2022.

Impact of accounting standards to be applied in future periods

There are a number of standards and interpretations which have been issued that are effective for periods beginning 1 January 2023 that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.



NOTES TO THE CONSENSSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued

3. BORROWINGS

	30.06.23 (unaudited) €	31.12.22 (audited) €
Non-current		
€14,000,000 bonds, 4.85% unsecured (i)	13,640,482	13,625,498
Bank loan I (ii)	352,173	417,367
Bank loan II (iii)	-	244,582
Revolving facility (iv)	2,782,149	2,762,536
	16,774,804	17,049,983
Current		
Bank loan I (ii)	150,901	137,707
Bank loan II (iii)	705,025	594,297
Revolving facility (iv)	1,966,295	2,327,676
Bank overdrafts	49,764	8,807
Amounts due to ultimate shareholder (v)	35,131	17,445
	2,907,116	3,085,932

- i. The bonds will mature on 25 November 2032 with annual interest payments every 25 November until maturity. The amount presented is net of unamortised bond issue costs of €359,519 (31.12.2022: €374,502).
- ii. Bank loan I pertains to a loan with a local bank under the Malta Development Bank's COVID-19 Assist Program. The loan bears interest at a fixed rate of 2.5% per annum for the first two years from the take up of the loan and thereafter at the rate of the aggregate of the margin of 2.75% per annum and the three-month EURIBOR. The loan is repayable over a period of six years inclusive of a 12-month moratorium on the principal and six-months on interest. Following the moratorium period, the loan shall be repayable in 60 monthly instalments of €12,500. The loan is secured by a first general hypothec over the Company's assets and guarantee by the ultimate shareholder.
- iii. Bank loan II is a loan with another local bank taken as well under the Malta Development Bank's COVID-19 Assist Program. The loan bears interest at the rate of the aggregate of the margin of 3.15% per annum and the three-month EURIBOR. The loan is repayable in monthly instalments of €50,917 beginning December 2020 until May 2024. The loan is secured by a first special hypothec for the amount of €200,000 over the Company assets.
- iv. The revolving facility bears interest at the rate of 5% per annum plus the 12-month EURIBOR and is repayable in accordance with the term sheet as agreed with the bank for each drawdown. The revolving facility is of €6,000,000.
- v. The amounts due to the ultimate shareholder are unsecured, interest free and repayable on demand.

NOTES TO THE CONSENSSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued**4. RELATED PARTY TRANSACTIONS**

The Group carries out transactions with related parties on a regular basis and in the ordinary course of the business.

The following summarises the transactions with related parties that transpired during the period:

	30.06.23	30.06.22
	€	€
Revenue	1,545,690	46,012
Management fees	104,186	98,181
Recharges	(201,813)	(245,142)

Directors' remuneration during the period amounted to €158,587 (2022: €139,322) and director's fees during the period amounted to €18,575 (2022: 11,802).