# MALITA INVESTMENTS P.L.C.

## Condensed Interim Financial Statements (unaudited)
## 30 June 2026

Company Registration Number: C 53047

# Interim Directors' Report

The Directors present their report together with the condensed interim Financial Statements for the period ended 30 June 2026.

**Principal activities**

The principal activities of Malita Investments p.l.c. (the Company) include the financing, investing, acquisition, development, management and operation of immovable property, in particular, projects of national and/or strategic importance.

**Review of the business**

The Company registered a profit for the period from January to June 2026 of €4,124,854 (June 2025: €5,277,694). The operating profit excluding any fair value movements for the period amounts to €4,298,514 (June 2025: €4,016,101).

The Company's performance during the period must be considered in the context of its ongoing capital investment programme, primarily relating to the Affordable Housing Project. While the Company continues to generate rental income streams from its concession arrangements, the execution of this development programme requires significant external financing.

As previously communicated to the market during Q4 - 2025, the Company experienced liquidity constraints during the period, which led the Board to undertake a strategic review of its position in relation to the Affordable Housing Project and to prioritise the preservation of cash resources. In this context, and in exercise of its contractual rights under the relevant construction agreements, the Company implemented a temporary suspension of works at the remaining development sites as part of this strategic reassessment. The suspension remained in place until the end of March 2026.

During Q1 2026, the Company progressed the necessary financing arrangements and, by the end of March 2026, secured the principal financing sanction required to support the continuation of the Affordable Housing Project.

The financing process also required engagement with the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB) in relation to the Company's existing financing arrangements. The relevant confirmations were subsequently obtained by the end of April 2026, thereby completing this aspect of the financing process. This milestone was achieved prior to the publication of the Company's audited financial statements for the year ended 31 December 2025, which were published at the end of April 2026.

Whilst the Directors remain confident in the underlying business model and the long-term income-generating capacity of the Company's assets, the current phase of investment has necessitated heightened governance and oversight over the execution and completion of the projects, which continue to be actively monitored by the Board.

## **Interim Directors' Report** – continued

**Review of the business** - continued

The following table shows a detailed breakdown of all sites which have been handed over to tenants.

| | Site Location | Number of Units | Number of garages/car spaces | Contracts with Tenants |
|---|---|---|---|---|
| 1 | Birkirkara | 73 | 56 | August 2022 |
| 2 | Kirkop C | 8 | 6 | February 2023 |
| 3 | Attard | 8 | 3 | March 2023 |
| 4 | Zebbug | 8 | 6 | March 2023 |
| 5 | Kirkop B | 18 | 0 | June 2023 |
| 6 | Qrendi C | 11 | 7 | December 2023 |
| 7 | Zurrieq | 27 | 20 | January 2024 |
| 8 | Kirkop D | 8 | 8 | April 2024 |
| 9 | Msida | 102 | 22 | April 2024 |
| 10 | Kirkop A | 19 | 21 | May 2024 |
| 11 | Siggiewi | 84 | 121 | May 2024 |
| 12 | Qrendi B | 26 | 20 | December 2024 |
| **Total** | | **392** | **290** | |

During the interim period under review, no additional residential units or garages or car spaces were fully completed when compared to 2025. Completed units and garages/car spaces as at 30 June 2026 total to 392 and 290 (2025: 392 and 290), respectively. There are 3 open sites. Two of these sites are expected to be completed by 2027, and the largest site to be fully completed by 2029.

During the interim period, progress on the remaining open sites was impacted by a suspension of works, however works have resumed on all the open sites of the Company. The capital expenditure requirements of the Affordable Housing Project are expected to be financed through a combination of bank financing arrangements, comprising a €28 million facility from Bank of Valletta plc and a €22 million with the European Investment Bank entered into on 15 March 2024. The €28 million facility from Bank of Valletta plc has been sanctioned during 2026 and forms part of the overall funding structure supporting the project. The Company received formal written consent from EIB dated 27 April 2026, while approval in principle was also received from CEB on the same date, with the remaining CEB administrative procedures currently in progress.

In addition, as of the date of approval of these financial statements, the work has commenced on all the open sites. On this basis, the Board and management expect that the Affordable Housing Project will be completed across all sites.

The Company remains committed to continuous improvement and transparency. To uphold these standards, internal audits are conducted biannually by a professional services firm, ensuring compliance, strengthening controls, and identifying opportunities for enhancing internal processes. The Directors and senior management continuously implement any recommendations forwarded by the internal auditor, reinforcing the Company's dedication to operational efficiency and sound financial management.

## Interim Directors' Report – continued

**Review of the business** - continued

**Result and dividends**

The condensed statement of comprehensive income is set out on page 6. The Directors have reviewed the Company's financial position, its projected cash flows and its existing and committed capital expenditure and the Directors are not recommending the payment of an interim dividend in respect of the period under review.

**Directors**

The Directors of the Company who held office during the period were:

Carmela Ciantar (appointed 3 February 2026)
Desiree Cassar
David Mallia (appointed 29 May 2025 and resigned 6 May 2026)
Joseph Rodgers (appointed 16 July 2026)
Marvin Gaerty (appointed 3 February 2026)
Miguel Borg
Robert Suban (resigned 16 July 2026)
Roderick Psaila (appointed 3 February 2026)
Tania Brown (resigned 3 February 2026)
Tarcisio Barbara (appointed 16 July 2026)
Victor Carachi (resigned 3 February 2026)

The Company's Articles of Association require Directors to retire after three years in office, but they are eligible for re-appointment.

## **Interim Directors' Report** – continued

**Going Concern**

The Interim Financial Statements for the six-month period ended 30 June 2026 have been prepared on a going concern basis. Further details are provided in Note 2.

**Statement of Directors' responsibilities for the financial statements**

The Directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the Directors are responsible for the following matters:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of Malita Investments p.l.c. for the period ended 30 June 2026 are included in the condensed interim financial statements – 30 June 2026, which is available on the Company's website. The Directors are responsible for the maintenance and integrity of the Company's website.

Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

On behalf of the board

| | |
|---|---|
| Roderick Psaila | Joseph Rodgers |
| Chairman | Director |

Registered office:
Aries House, Level 1,
29, Sqaq Tal-Ħlas,
Żebbuġ
ŻBĠ 4022
Malta

28 August 2026

## Condensed statement of financial position

| | Notes | **As at 30 June 2026 € (unaudited)** | As at 31 December 2025 € (audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **78,768** | 90,351 |
| Investment property | 5 | **257,939,083** | 257,939,083 |
| Contract asset | 6 | **84,422,729** | 83,344,833 |
| | | **342,440,580** | 341,374,267 |
| **Current assets** | | | |
| Trade and other receivables | | **4,989,840** | 1,215,624 |
| Cash and cash equivalents | | **1,844,199** | 6,435,462 |
| | | **6,834,039** | 7,651,086 |
| **Total assets** | | **349,274,619** | 349,025,353 |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves** | | | |
| Share capital | | **102,710,051** | 102,710,051 |
| Retained earnings | | **6,639,755** | 2,785,399 |
| Reserve for fair value movements | | **88,076,836** | 88,076,836 |
| Other reserves | | **6,385,952** | 6,115,454 |
| **Total equity** | | **203,812,594** | 199,687,740 |
| **Non-current liabilities** | | | |
| Borrowings | 7 | **77,252,809** | 78,191,606 |
| Lease liability | | **3,572,095** | 3,558,310 |
| Capital creditors | | **690,356** | 1,876,263 |
| Provision for liabilities and charges | | **1,731,994** | 1,731,994 |
| Deferred tax liabilities | | **46,427,449** | 46,427,449 |
| | | **129,674,703** | 131,785,622 |
| **Current liabilities** | | | |
| Borrowings | 7 | **4,318,667** | 5,138,856 |
| Lease liability | | **131,074** | 131,073 |
| Capital creditors | | **4,109,796** | 3,980,582 |
| Trade and other payables | | **6,133,397** | 6,467,539 |
| Current tax liabilities | | **1,094,388** | 1,833,941 |
| | | **15,787,322** | 17,551,991 |
| **Total liabilities** | | **145,462,025** | 149,337,613 |
| **Total equity and liabilities** | | **349,274,619** | 349,025,353 |

## **Condensed statement of financial position** - continued

The notes on pages 10 to 18 are an integral part of these condensed interim financial statements.

The condensed interim financial statements on pages 5 to 18 were authorised for issue by the Board on 28 August 2026 and were signed on its behalf by:

| | |
|---|---|
| Roderick Psaila | Joseph Rodgers |
| Chairman | Director |

## Condensed statement of comprehensive income

| | Notes | **Period from 1 January to 30 June 2026 € (unaudited)** | Period from 1 January to 30 June 2025 € (unaudited) |
|---|---|---|---|
| Rental income | 8 | **4,941,630** | 4,626,541 |
| Revenue from service concession arrangements | 6 | **22,363,934** | 11,243,924 |
| Costs related to service concession arrangements | 6 | **(21,500,266)** | (10,708,520) |
| Administrative expenses | | **(1,506,784)** | (1,145,844) |
| **Operating profit** | | **4,298,514** | 4,016,101 |
| Change in fair value of investment property | 5 | **-** | 1,421,000 |
| Finance income | 9 | **2,744,354** | 2,595,180 |
| Finance costs | 10 | **(2,279,429)** | (1,749,805) |
| **Profit before tax** | | **4,763,439** | 6,282,476 |
| Tax expense | | **(638,585)** | (1,004,782) |
| **Profit for the period - total comprehensive loss** | | **4,124,854** | 5,277,694 |
| **Profit per share in cents** | 11 | **1.98** | 2.53 |

The notes on pages 10 to 18 are an integral part of these condensed interim financial statements.

## Condensed statement of changes in equity

| | Share capital | Retained earnings | Reserve for fair value movements | Other reserves | Total |
|---|---|---|---|---|---|
| | € | € | € | € | € |
| Balance at 1 January 2025 | 102,710,051 | 10,491,209 | 83,123,920 | 5,562,126 | **201,887,306** |
| **Comprehensive income** | | | | | |
| Profit for the period | - | 5,277,694 | - | - | 5,277,694 |
| **Transactions with owners** | | | | | |
| Transfer within owners' equity | | 947,071 | (947,071) | - | - |
| Dividends to equity shareholders | - | (3,857,995) | - | - | (3,857,995) |
| **Balance as at 30 June 2025 (unaudited)** | 102,710,051 | 12,857,979 | 82,176,849 | 5,562,126 | 203,307,005 |
| Balance at 1 January 2026 | 102,710,051 | 2,785,399 | 88,076,836 | 6,115,454 | 199,687,740 |
| **Comprehensive income** | | | | | |
| Profit for the period | - | 4,124,854 | - | - | 4,124,854 |
| **Transactions with owners** | | | | | |
| Transfer within owners' equity | - | (270,498) | - | 270,498 | - |
| **Balance as at 30 June 2026 (unaudited)** | **102,710,051** | **6,639,755** | **88,076,836** | **6,385,952** | **203,812,594** |

The notes on pages 10 to 18 are an integral part of these condensed interim financial statements.

## Condensed statement of cash flows

| | **Period from 1 January to 30 June 2026 € (unaudited)** | Period from 1 January to 30 June 2025 € (unaudited) |
|---|---|---|
| **Cash flows from operating activities** | | |
| Cash used in operations | **(272,955)** | 13,479,990 |
| Proceeds from affordable housing rentals | **2,175,093** | 1,553,867 |
| Interest paid and similar charges | **(1,591,798)** | (1,295,404) |
| Income taxes paid | **(1,378,138)** | (710,288) |
| **Net cash (used in)/ generated from operating activities** | **(1,067,798)** | 13,028,165 |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment | **(6,980)** | (71,714) |
| Payments to acquire contract asset | **(1,141,085)** | (14,320,454) |
| Disposal of investments including realised gain | **-** | 10,697,721 |
| **Net cash used in investing activities** | **(1,148,065)** | (3,694,447) |
| **Cash flows from financing activities** | | |
| Repayment of borrowings | **(1,758,986)** | (1,802,330) |
| Interest paid on borrowings | **(616,414)** | (660,903) |
| Dividends paid to equity holders | **-** | (3,852,490) |
| Interest received | **-** | 10,170 |
| **Net cash used in financing activities** | **(2,375,400)** | (6,305,553) |
| **Net movement in cash and cash equivalents** | **(4,591,263)** | 3,028,165 |
| **Cash and cash equivalents at beginning of period** | **6,435,462** | 3,612,609 |
| **Cash and cash equivalents at end of period** | **1,844,199** | 6,640,774 |

The notes on pages 10 to 18 are an integral part of these condensed interim financial statements.

## Notes to the Condensed Interim Financial Statements

### 1. Reporting entity

Malita Investments p.l.c. (the Company) is domiciled in Malta with its registered address at Aries House, Level 1, 29, Sqaq Tal-Ħlas, Żebbuġ, ŻBĠ 4022, Malta. The Company is primarily involved in the financing, acquisition, development, management and operation of immovable property, in particular, projects of national and/or strategic importance.

### 2. Basis of preparation

These condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with IAS 34, 'Interim financial reporting'. They have been prepared under the historical cost convention as modified by fair valuation of investment property.

The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with IFRS.

The Interim Financial Statements have been prepared on the assumption that the Company will continue to operate as a going concern.

The Company continues to generate stable income from long-term concession and emphyteutical arrangements. However, the Company is currently undertaking a significant capital investment programme in relation to the Affordable Housing development, which requires external financing to meet its short-term obligations as they fall due.

The Company has secured an additional facility of €28 million to address its funding requirements for the Housing Project which, alongside the €22 million facility provided by EIB, will be sufficient to close the project.

During Q1 2026, the Company progressed the necessary financing arrangements and, by the end of March 2026, secured the principal financing sanction required to support the continuation of the Affordable Housing Project.

The financing process also required engagement with the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB) in relation to the Company's existing financing arrangements. The relevant confirmations were subsequently obtained by the end of April 2026, thereby completing this aspect of the financing process. This milestone was achieved prior to the publication of the Company's audited financial statements for the year ended 31 December 2025, which were published at the end of April 2026.

Whilst the Directors remain confident in the underlying business model and the long-term income-generating capacity of the Company's assets, the current phase of investment has necessitated heightened governance and oversight over the execution and completion of the projects, which continue to be actively monitored by the Board.

## 3. Use of judgements and estimates

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

## 4. Segment reporting

The Directors have reviewed the disclosure requirements of IFRS 8, 'Operating Segments' and determined that the Company effectively has one operating segment, taking cognisance of the information utilised within the Company for the purpose of assessing performance. This is because the Company only has one single business activity, that of long-term rental / service concession cash flows from Affordable Housing Project. These are reported as one operating segment to the Company's Chief Operating Decision Maker.

Information related to this reportable segment and reconciliations thereon are not being disclosed separately in this disclosure note (other than IFRS 8 entity-wide disclosures), such as segment profit before tax, revenue, assets and liabilities, as the information presented in the statements of financial position and profit or loss and comprehensive income effectively solely pertain to the Company's single reportable segment.

This segment is managed in Malta by the Company, and the geographic location of the Company's customers which generate revenue (rental income) and the location of all of the Company's noncurrent assets are also based in Malta.

## 5. Investment property

| | **30 Jun 2026** | 31 Dec 2025 |
|---|---|---|
| | **€** | € |
| MIA and VCP properties | **123,812,322** | 123,812,322 |
| Parliament Building and Open-Air Theatre | **134,126,761** | 134,126,761 |
| Carrying amount | **257,939,083** | 257,939,083 |

### i. MIA and VCP properties

| | **2026** | 2025 |
|---|---|---|
| | **€** | € |
| At 1 January | **123,812,322** | 116,482,127 |
| Fair value movement | **-** | (390,000) |
| At 30 June | **123,812,322** | 116,092,127 |

## 5. **Investment property** – continued

### ii. Parliament Building and Open-Air Theatre (City Gate)

| | **2026** | 2025 |
|---|---|---|
| | **€** | € |
| At 1 January | **134,126,761** | 136,269,549 |
| Fair value movement | **-** | 1,811,000 |
| At 30 June | **134,126,761** | 138,080,549 |

## 6. Contract asset and service concession arrangements

On 29 December 2017, the Company entered a contractual arrangement with the Housing Authority to make available sixteen residential blocks, totalling around (684) six hundred and eighty-four units that will be used for affordable housing purposes. During the construction phase, plans have been amended, and a decision was taken to abandon the plan to develop one of the sites and further units were in turn added to another site.

The updated number of units has hence changed to seven hundred fifty-six (756) and this revised design and number of units has been formally captured in a new agreement with the Housing Authority. Excavation of the sites is complete. The construction and finishing phases of all the sites are expected to be fully completed by 2029 and thereafter the operating phase will follow with a remaining period up to 2053. As at 30 June 2026, 392 units have been completed and made available to tenants (2025:392 units).

In line with the agreed terms, the Company has entitlement to cash flows from rental of the respective units. Rates are contractually agreed and paid by the tenant, with the majority portion being received through a subsidy given by the Housing Authority. Although the Company is ultimately controlled by the Government of Malta and IFRIC 12 Service Concession Arrangements applies to public-to-private service concession arrangements, the Company nevertheless applies IFRIC 12 in its entirety on the basis that it is driven as a commercial organization especially in view of its listing on the Malta Stock Exchange.

In this context, the infrastructure managed under these contracts cannot be recorded in assets of the operator as property, plant and equipment, but is recorded as a financial asset. During the construction phase, and until all relevant performance obligations at the construction phase have been met by the Company, the financial asset is recorded as a contract asset, representing the Company's conditional right to consideration in accordance with IFRS 15. During the construction phase revenue is recognised over time in the Statement of profit or loss and other comprehensive income. The stage of completion of works was determined as the percentage of cost incurred up until the end of the reporting period relative to the total estimated cost (cost-to-cost method).

**6. Contract asset and Service concession arrangements** – continued

During the construction phase, the Company recognises revenue as work progresses, with the costs incurred plus a mark-up for construction management services, reflecting revenue recognised for services performed, recorded as a contract asset. Once the housing units are made available to the grantor, which includes both completed construction (at inception), the Company's right to consideration becomes unconditional, and the contract asset is reclassified as a financial asset in accordance with IFRS 9. The Company applies the Financial Asset Model on the basis that it has an unconditional contractual right to receive cash from the grantor in accordance with IFRIC 12. Over time, the Company is required to maintain of apartments in a good state of repair.

The service concession arrangement contains a significant financing component as, although the housing units are made available to the grantor immediately once constructed, consideration is received by the Company in the form of rental payments over the whole duration of the concession. Finance income is thus recognised accordingly. A second performance obligation, covering the operation and upkeep of the units, is recognised over time during the concession. The carrying amount of the financial asset increases as revenue is earned, while it decreases with payments received.

The IFRIC 12 model prepared by management continues to be updated with the latest actual and projected costs to complete and expected revenues to provide management and the Board with updated profitability projections, compared with original estimates.

The latest financial model incorporates final bills for completed sites, with the majority of amounts payable to contractors now fully issued and the remaining bills being issued progressively. For uncontracted works, cost estimates are provided by the site architects assigned to each development. Based on historical experience, an estimated and precautionary 5% contingency has been applied to these remaining phases to reflect potential variability in the cost base, assuming that ongoing negotiations will be successfully concluded. This contingency resulted in an increase in costs amounting to €4.6 million during 2025, with no further increase in contingencies during the six months ending 30 June 2026.

Upon termination of the emphyteutical grant, the Company is required to hand-over ownership, management and operation of all assets relating to all the revised 15 construction sites to the Housing Authority. During the term of the agreement, the Company is entitled to cash-flows relating to residential units even if these are vacant, with the only condition that entitles the Company to cash-flows, being making such units available for use to the Housing Authority. The Company may not however dispose, or change the use of, the properties during the period of the concession.

Income amounting to €22,363,934 (2025: €11,243,924) from both the construction and operating activity was recognised during the interim period ending June 2026 and €84,422,729 (2025: €90,530,268) is cumulatively recognised in the Statement of Financial Position as a contract asset.

No additional site was completed during 2025 and as at 30 June 2026, only three sites remain under construction. During the interim period, total cash flows received from the Grantor and tenants in relation to concession services amounted to €2,175,092 (2025: €2,141,487), out of which revenue recognised in the Statement of profit or loss and other comprehensive income for the period ended 30 June 2026 is €218,660 (2024: €214,149) representing the revenue generated from the operating phase. The Company also received net cash inflows amounting to €130,127 (2025: €127,818) from the lease of garage and centers during the interim period.

**6. Contract asset and Service concession arrangements** - continued

Costs in relation to construction amounting to €21,500,266 (June 2025: €10,708,520) were recognised in the Statement of Comprehensive Income for the period ended 30 June 2026. The difference between revenue and cost from the construction project during the period represents, in substance, project management fees and revenue recognised for the operation of the concessions, measured as separate stand-alone prices in line with the requirements of IFRIC 12.

Financial receivables are initially recognised at fair value and subsequently recognised at amortised cost using the effective interest method. The implied interest rate on the financial receivable is based on the derived rate implicit in the discounted cash flow model encompassing related terms and conditions within the Housing contract. Whenever there are revisions to estimated or contractual cashflows, the Company assesses whether this results in a substantial modification of terms or otherwise. If it is concluded that there is a substantial modification of terms, management derecognises the financial receivable and recognises a new financial receivable at a new effective interest rate with a resulting charge or credit to profit or loss. If the modification is not considered substantial, any revised estimated cashflows are to be incorporated into the financial model at the original effective interest rate, with a charge or credit recognised in profit or loss under finance income or finance cost.

All the sites were completed by 30 June 2026 except for three sites. Two of these sites are expected to be completed by 2027, and the largest site to be fully completed by 2029. Contract of works for almost all the sites have been entered into and hence the cost for completion can be reliably estimated. The Company has secured financing for the project based on initial estimates. Variations to the initial plans for various sites and additional number of units being constructed compared to the original plans have necessitated an increased estimated spend which has been approved by the Project Board. The current liquidity arrangements cover agreements contracted to date on the respective sites.

Management remains confident in the successful execution and timely completion of the construction and finishing phases across all project sites. This conviction is underpinned by existing the €22 million credit agreement secured with the European Investment Bank (EIB) and the €28 million loan facility with Bank of Valletta (BOV) of which around €4.1 million was already disbursed, with €0.76m disbursed during the interim period ending 30 June 2026 (see note 7).

Revenue from service concession arrangements is split as follows:

| | **Period from 1 January to 30 June 2026 €** | Period from 1 January to 30 June 2025 € |
|---|---|---|
| **Revenue from Service concession arrangements** | | |
| Construction and finishing of blocks | **22,145,274** | 11,029,775 |
| Provision of housing facilities | **218,660** | 214,149 |
| | **22,363,934** | 11,243,924 |

**6. Contract asset and Service concession arrangements** - continued

| | **Period from 1 January to 30 June 2026** | Period from 1 January to 30 June 2025 |
|---|---|---|
| | **€** | € |
| **Contract asset** | | |
| Balance as at 1 January | **83,344,833** | 78,577,203 |
| Revenue from service concession arrangement | **727,294** | 11,531,952 |
| Loss from change in estimate | **(218,660)** | - |
| Finance income | **2,744,354** | 2,562,600 |
| Cash received during the year | **(2,175,092)** | (2,141,487) |
| Balance as at 30 June | **84,422,729** | 90,530,268 |

The revenue from service concession arrangements in the above table is presented gross of direct ground rent paid to grantor but net of the losses or gains from change in estimate during the years presented. During the period, the Company paid ground rent amounting to €73,854 (2025: €73,854). Moreover, during the periods under review, management has identified changes in estimates relating to forecasted construction costs and timing of works. Changes in such estimates result in cumulative catch-up adjustments to the contract asset balance and are recognised as an increase or decrease in revenue in the period in which the estimates are revised as they represent a reassessment of the consideration attributable to services performed to date. Loss due to change in estimate netted from revenue during the year amounted to €218,440 (2025: €nil).

**7. Borrowings**

The Company's loan facilities as at 30 June 2026 amounted to €82,572,871 (31 December 2025: €84,375,200), and these were fully utilised. The Company has secured a €22 million loan (unutilised) facility with the European Investment Bank, entered into on 15 March 2024, and a €28 million loan (€4.1 million utilised) facility from Bank of Valletta p.l.c., which was sanctioned during 2026. The Company received formal written consent from the European Investment Bank on 27 April 2026 in relation to the Bank of Valletta facility.

| | **30 June 2026** | 31 Dec 2025 |
|---|---|---|
| | **€** | € |
| **Borrowings** | | |
| Non-current | **77,252,809** | 78,191,606 |
| Current | **4,318,667** | 5,138,856 |
| | **81,571,476** | 83,330,462 |

Reconciliation of liabilities arising from financing activities:

| **Liabilities** | **Opening principal** | **Repayments** | **Receipts** | **Closing principal** |
|---|---|---|---|---|
| | € | € | € | **€** |
| Loans and borrowings | 83,330,462 | (2,514,214) | 755,228* | **81,571,476** |

** funds disbursed during the interim period from the €28 million loan facility with BOV (see note 6)*

## 8. Rental income

Rental income comprises the consideration receivable from MIA and VCP by way of ground rent in respect of the temporary emphyteusis rights granted, rental income receivable from the Government of Malta for the Open Air Theatre and the Parliament Building pursuant to a lease agreement, rent receivable from tenants in respect of garages being leased at various Housing sites and rent receivable from the Health Care Clinic in Siggiewi. All rental income is recorded over time based on the time of the rental period and is recorded in the statement of profit or loss and other comprehensive income. Rent advances received are included as deferred ground rent in trade and other payables

| | **Period from 1 January to 30 June 2026** | Period from 1 January to 30 June 2025 |
|---|---|---|
| | **€** | € |
| Fixed and indexed rental income from temporary emphyteusis | **1,104,229** | 1,101,473 |
| Rental income from sublease of City Gate | **3,707,301** | 3,397,250 |
| Rents from garages and other properties | **130,100** | 127,818 |
| | **4,941,630** | 4,626,541 |

Indexed rental income from temporary emphyteusis pertains to rent increases for MIA and VCP as follows:

a.) For MIA, a 15% on the ground rent in the preceding 5 years terms from initiation of rent arrangement.

b.) For VCP, the higher of 10% of ground rent or the index of inflation every subsequent five 12-month period from initiation of rent arrangement.

## 9. Finance income

| | **Period from 1 January to 30 June 2026** | Period from 1 January to 30 June 2025 |
|---|---|---|
| | **€** | € |
| Bank Interest Income | **-** | 10,170 |
| Finance income – Affordable Housing | **2,744,354** | 2,562,600 |
| FVOCI-debt instruments: Gain on derecognition reclassified from OCI | **-** | 22,410 |
| | **2,744,354** | 2,595,180 |

## 10. Finance costs

| | **Period from 1 January to 30 June 2026 €** | Period from 1 January to 30 June 2025 € |
|---|---|---|
| Finance cost on lease liability | **79.322** | 72,539 |
| Loan interest expense | **1,931,205** | 1,676,010 |
| Bank charges and fees | **200** | 1,256 |
| Loss from change in estimate | **268,702** | - |
| | **2,279,429** | 1,749,805 |

## 11. Earnings per share

Earnings per share is calculated by dividing the profit attributable to owners of the Company by the total weighted average number of ordinary shares in issue during the year.

| | **Period from 1 January to 30 June 2025 €** | Period from 1 January to 30 June 2024 € |
|---|---|---|
| Profit for the year (€) | **4,124,854** | 5,277,694 |
| Total number of ordinary shares in issue | **208,206,593** | 208,206,593 |
| Total number of shares | **208,206,593** | 208,206,593 |
| Earnings per share (€ cents) | **1.98** | 2.53 |

***Note:*** *There are no instruments or elements in issue that would dilute earnings per share.*

## 12. Related party transactions

The only major shareholder of the Company is the Government of Malta through its 81.94% (2025: 81.94%) shareholding. The remaining 18.06% (2025: 18.06%) of the shares are held by the public.

Other related entities include the following:

- Projects Plus Limited
- Housing Authority
- Social Projects Management Limited
- Primary Health Care
- Lands Authority
- Parliament of Malta
- Arts Council Malta (Piazza Teatru Rjal)

The above entities are deemed to be related parties due to the fact that they are all owned and managed by Government.

The Company is applying the exemption of disclosing transactions with other entities which are controlled or joint controlled by the Government of Malta. The Company is disclosing the following information to enable the users of the financial statements to understand the effect of related party transactions on the financial statements for transactions that are either individually or collectively significant:

| | **1 January to 30 June 2026 €** | 1 January to 30 June 2025 € |
|---|---|---|
| **Government of Malta** | | |
| City Gate ground rent paid to Government | **65,237** | - |
| Parliament lease income from Government | **2,800,810** | 2,503,302 |
| Open Air Theatre lease income from Government | **977,487** | 893,948 |
| **Housing Authority** | | |
| Affordable Housing rent from grantor | **1,894,747** | 1,871,430 |
| **Primary Health Care** | | |
| Rent for Health Care Centre in Siggiewi | **31,218** | 30,172 |

Balances at reporting date with related parties, arising principally from the transactions referred to previously, are disclosed in Note 6 to these financial statements. Such balances are unsecured, interest free and repayable on demand, unless stated otherwise in the respective notes. Key management personnel comprise of the Directors of the Company.

## 13. Statutory information

Malita Investments p.l.c. is a public limited liability Company and is incorporated in, with its registered address at Aries House, Level 1, 29, Sqaq Tal-Ħlas, Żebbuġ ŻBĠ 4022, Malta. The ultimate controlling party of Malita Investments p.l.c. is the Government of Malta.