Company Announcement

The following is a Company Announcement issued by MIDI p.l.c. (“MIDI” or the “Company”) pursuant to the Capital Markets Rules of the Malta Financial Services Authority (“MFSA”).

Quote

Approval of Interim Financial Statements

The Board of Directors of the Company has today considered and approved the Company’s unaudited interim financial statements for the six months ended 30 June 2024.

These interim financial statements are attached to this Company Announcement and are also available for viewing at the registered office of the Company and on the Company’s website https://www.midimalta.com/en/interim-reports.

Unquote

Catherine Formosa
Company Secretary

30 August 2024

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MIDI p.l.c.

Condensed Consolidated Interim Financial Information

30 June 2024

Contents

Interim Directors' Report pursuant to Capital Market Rule 5.75.2

This Interim Directors' Report is published in terms of the Malta Financial Services Authority Listing Rules Chapter 5 and the Prevention of Financial Markets Abuse Act, 2005. The consolidated interim financial information included in this report has been extracted from MIDI p.l.c.'s ("MIDI" or "Company") unaudited consolidated financial information for the six months ended 30 June 2024 prepared in accordance with IAS 34 'Interim Financial Reporting'. The Group includes MIDI p.l.c. as the parent entity and its subsidiaries: Tigné Contracting Limited and T14 Investments Limited, together "the Group". The Group has an investment in a joint venture entity, Mid Knight Holdings Limited. In terms of Capital Markets Rule 5.75.5, this interim report has not been audited or reviewed by the Group's independent auditors.

Principal activity

The principal activity of the Group is the development of the Manoel Island and Tigné Point project.

Material events and transactions

In preparing this Report, the Directors have taken regard of the material events and transactions for the period ended 30 June 2024 ("the Relevant Period"), and their impact on the condensed consolidated set of interim financial statements.

During the Relevant Period, the MIDI Group has posted a loss after tax of €1.0 million (June 2023: loss after tax of €1.1 million). The financial performance of the Group for the first six months of 2024 mirrors the performance of the first six months of 2023.

These results reflect the cyclical nature of the Group's property development business. Although MIDI has successfully launched the apartments of its latest residential development at Tigné Point (known as Q3 – Fortress Gardens) the sale of these residential units will only be recognized once the final deeds of sale are entered into with the respective buyers, in line with the requirements of International Financial Reporting Standards which form the basis of the Group's accounting policies. In addition, MIDI had no other inventory of residential apartments which it could deliver during the first six months of 2024. Revenues within the 'Development and sale of property' segment for the Relevant Period amounted to €10k (2023: €38k), contributing to an operating loss of €684k compared to an operating loss of €687k in the previous year.

Revenues within the 'Property and rental management' segment amounted to €1.49 million (2023: €1.41 million). This segment includes the Group's rental operations of its Pjazza retail outlets and foreshore restaurants, car parking operations, operator concession fees earned from the Manoel Island Yacht Marina, and HVAC operating activities.

The Group's results for the Relevant Period also include the Group's 50% share of the financial results of Mid Knight Holdings Limited ("MKH"), a joint venture company which owns and operates 'The Centre' office block located at Tigné Point. The Group's share of MKH's profit for the Relevant Period amounted to €883k (2023: €723k).

Interim Directors' Report pursuant to Capital Market Rule 5.75.2 – *continued*

Principal activity - *continued*

Material events and transactions - *continued*

Total Group's consolidated assets have increased from €254.7 million as at 31 December 2023 to €260 million whilst the Group's Net Asset Value decreased from €99.3 million to €98.3 million reflecting the loss being posted for the Relevant Period. Consequently, the Net Asset Value per share now stands at €0.459 (€0.464 as at 31 December 2023).

Development works on the Q3 – Fortress Gardens apartment block commenced in the second quarter of 2022. The civil works are now complete with finishing and mechanical, electrical, plumbing and the façade works progressing as scheduled. Delivery of these apartments is envisaged for the second half of 2025. As previously explained, the Company will be able to account for the profits generated from the sale of these apartments at delivery stage.

The development of Manoel Island continues to play a prominent part in the Group's activities. Discussions with Government are ongoing with regards to the specific remedies available in the Deed of Emphyteusis entered into on 15 June 2000 which will help to mitigate, in part, the impact of the reduction of development volumes as a consequence of the discovery of archaeological remains on the Manoel Island site as well as to the extension to the substantial completion date detailed in the Deed for the entire development. The discovery of such remains necessitated a revision to the Manoel Island masterplan which resulted in a reduction of development volumes from 127,000sqm to 95,000sqm.

Following the signing of a non-binding memorandum of understanding with AC Enterprises Limited (C49755) in December 2021, the Company has continued with negotiations and discussions with the party in question with a view to concluding the establishment of a joint venture with regards to the Manoel Island development. Although significant progress has been registered no transaction has been concluded yet.

As previously announced, the Planning Authority ("PA") has approved the Outline Permit for the revised Manoel Island Masterplan on 16 September 2021. This had followed the approval of the Environmental Impact Assessment ("EIA") by the Environmental and Resources Authority ("ERA"). Although the Outline Permit was not subject to appeal, the decision by ERA to approve the EIA was appealed by a third party. On the 10 January 2023, the Environment and Planning Review Tribunal advised that the third party's appeal had been rejected. Following this, the Court of Appeal also rejected the third party's appeal on 10 May 2023. As a result of this decision, the Outline Development Permit is now definitively confirmed and not subject to further appeal.

In parallel to the ongoing separate discussions with Government and AC Enterprises Limited, the detailed design process has continued in earnest and the full development application for the Manoel Island development PA1053/23 was submitted to the PA in December 2022.

At the public hearing meeting of 14 March 2024, the Planning Board deferred the hearing of this full development application on the basis that Manoel Island lies within the proposed buffer zone for the Valletta World Heritage Site ("WHS") and it was deemed desirable that a Heritage Impact Assessment ("HIA") is commissioned on the basis of terms of reference subsequently issued by the Superintendence of Cultural Heritage ("SCH").

Interim Directors' Report pursuant to Capital Market Rule 5.75.2 – *continued*

Principal activity - *continued*

Material events and transactions - *continued*

The Board is confident that the proposed development of Manoel Island does not impact the status of the Valletta WHS as the SCH, after having consulted the National World Heritage Technical Committee ("NWHTC"), had not objected to this full development application as part of the consultation process undertaken by the PA. The HIA is now complete and has been submitted to the SCH for its consideration. Following this submission, a decision on Manoel Island's full development application is expected during the second half of 2024. In the meantime, site preparatory works are ongoing on the Manoel Island site under the supervision of an archaeological monitor. The Board remains confident that the full development permit will be secured.

The Board is confident that the deferral of the hearing referred to above and the consequential potential delays will not affect the investment plans of the prospective investor as outlined in the memorandum of understanding referred to previously.

Furthermore, the Group continues to be engaged in discussions with the Government in connection with the implications that delays and other developments which are outside the control of the Group have on the timing and realization of the project, and on the basis of such discussions remains confident that an outcome which will enable the successful completion of the project will be achieved.

The Board is cognisant of the fact that the returns of its main projects i.e. that of the Q3 – Fortress Gardens residential development and the Manoel Island development, are not expected to accrue in the short term. In view of this, the Board continues to adopt a prudent approach in its projected cashflow assessments. Based on these assessments, the Group has sufficient liquidity and financial resources to meet all its obligations and expected outflows after considering arrangements with its bankers in respect of sanctioned bank facilities.

Related party transactions

MIDI p.l.c. and its subsidiaries enter into related party transactions in the ordinary course of their activities. Related party transactions are reviewed and approved by the Audit Committee on a regular basis. All related party transactions pertaining to the six-month period ended 30 June 2024 have been disclosed in Note 7 to the Condensed Consolidated Interim Financial Information.

On behalf of the Board

Alec A. Mizzi	Mark Portelli
Chairman	Director

30 August 2024

Company Secretary:	Catherine Formosa
Registered Office:	North Shore, Manoel Island, Gżira, Malta
Telephone Number:	(+356) 2065 5500
Company Registration N^{o}:	C 15836

Condensed consolidated statement of financial position

	As at 30 June 2024 (unaudited)	As at 31 December 2023 (audited)
ASSETS	**€**	€
Non-current assets		
Property, plant and equipment	**1,796,652**	1,916,602
Right-of-use assets	**12,240,480**	12,314,428
Investment property	**36,231,697**	36,231,697
Investments in joint venture	**28,978,731**	28,095,459
Financial investments	**447,113**	453,132
Deferred tax assets	**561,393**	694,917
Total non-current assets	**80,256,066**	79,706,235
Current assets		
Inventories - Development project	**158,055,090**	150,369,473
Other current assets	**21,657,921**	24,666,694
Total current assets	**179,713,011**	175,036,167
Total assets	**259,969,077**	254,742,402
EQUITY		
Capital and reserves	**98,291,527**	99,319,802
LIABILITIES		
Non-current liabilities		
Trade and other payables	**33,660,921**	31,422,941
Borrowings	**59,531,239**	57,535,261
Lease liabilities	**14,863,252**	14,922,674
Deferred tax liabilities	**3,401,718**	3,401,718
Total non-current liabilities	**111,457,130**	107,282,594
Current liabilities		
Trade and other payables	**48,749,954**	47,302,171
Lease liabilities	**1,265,262**	632,631
Current tax liabilities	**205,204**	205,204
Total current liabilities	**50,220,420**	48,140,006
Total liabilities	**161,677,550**	155,422,600
Total equity and liabilities	**259,969,077**	254,742,402

The condensed consolidated interim financial information on pages 4 to 15 was authorised for issue by the Board of Directors on 30 August 2024 and was signed on its behalf by:

Alec A. Mizzi
Chairman

Mark Portelli
Director

Condensed consolidated income statement

	Note	Six months ended 30 June 2024 (unaudited) €	2023 (unaudited) €
Revenue		**1,497,264**	1,450,695
Gross profit		**811,266**	931,345
Administrative expenses	**3**	**(1,340,814)**	(1,385,718)
Operating loss		**(500,748)**	(517,491)
Share of profit of investment accounted for using the equity method of accounting		**883,272**	722,602
Net finance costs		**(1,249,793)**	(1,225,460)
Loss before tax		**(867,269)**	(1,020,349)
Tax expense		**(154,986)**	(84,691)
Loss for the period		**(1,022,255)**	(1,105,040)
Earnings per share		**(0.005)**	(0.005)

Condensed consolidated statement of comprehensive income

	Six months ended 30 June 2024 (unaudited) €	2023 (unaudited) €
Loss for the period	**(1,022,255)**	(1,105,040)
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Changes in fair value of financial investments measured at fair value through other comprehensive income	**(6,020)**	462
Total comprehensive income for the period	**(1,028,275)**	(1,104,578)

Condensed consolidated statement of changes in equity

	Share capital €	Share premium €	Property revaluation reserve €	Investment fair value reserve €	Other reserves €	Retained earnings €	Total €
Balance at 1 January 2024	42,831,984	15,878,784	1,211,132	21,092	785,729	38,591,081	99,319,802
Comprehensive income							
Loss for the period	-	-	-	-	-	(1,022,255)	(1,022,255)
Other comprehensive income							
Items that may be subsequently reclassified to profit or loss							
Fair valuation of financial investments measured at fair value through other comprehensive income:							
Net changes in fair value arising during the year, before tax	-	-	-	(6,020)	-	-	(6,020)
Total other comprehensive income	-	-	-	(6,020)	-	-	(6,020)
Total comprehensive income	-	-	-	(6,020)	-	(1,022,255)	(1,028,275)
Balance at 30 June 2024	**42,831,984**	**15,878,784**	**1,211,132**	**15,072**	**785,729**	**37,568,826**	**98,291,527**
Balance at 1 January 2023	42,831,984	15,878,784	1,211,132	15,142	1,228,277	40,109,439	101,274,758
Comprehensive income							
Loss for the period	-	-	-	-	-	(1,105,040)	(1,105,040)
Other comprehensive income:							
Items that may be subsequently reclassified to profit or loss							
Fair valuation of financial investments measured at fair value through other comprehensive income:							
Net changes in fair value arising during the year, before tax	-	-	-	462	-	-	462
Total other comprehensive income	-	-	-	462	-	-	462
Total comprehensive income	-	-	-	462	-	(1,105,040)	(1,104,578)
Balance at 30 June 2023	**42,831,984**	**15,878,784**	**1,211,132**	**15,604**	**1,228,277**	**39,004,399**	**100,170,180**

Condensed consolidated statement of cash flows

	Six months ended 30 June	
	2024	2023
	(unaudited)	(unaudited)
	€	€
Net cash (used in)/generated from operating activities	**(4,979,216)**	6,986,459
Net cash generated from/(used in) investing activities	**3,739**	(53,001)
Net cash generated from/(used in) financing activities	**1,950,005**	(4,279,461)
Net movement in cash and cash equivalents	**(3,025,472)**	2,653,997
Cash and cash equivalents at beginning of period	**21,600,889**	5,002,359
Cash and cash equivalents at end of period	**18,575,417**	7,656,356

Notes to the condensed consolidated interim financial information

1. General information

MIDI p.l.c. is a public limited liability company with its principal activity being the development of the Manoel Island and Tigné Point Project.

2. Basis of preparation

The condensed consolidated interim financial information includes the Financial Statements of MIDI p.l.c., its subsidiaries and the share of results of its joint venture. The condensed consolidated interim financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The interim financial information should be read in conjunction with the Annual Report and Consolidated Financial Statements for the year ended 31 December 2023, which have been prepared in accordance with IFRSs as adopted by the EU.

Accounting policies

The accounting policies applied are consistent with those of the Annual Report and Consolidated Financial Statements for the year ended 31 December 2023, as described in those financial statements.

Standards, interpretations and amendments to published standards effective in 2024

In 2024, the Group adopted new amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 January 2024. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in any changes to the Group's accounting policies impacting the Group's financial performance and position.

Standards, interpretations and amendments to published standards that are not yet adopted

Certain new standards and amendments to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1 January 2024.

The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU, and the Group's Directors are of the opinion that there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

Assessment of going concern assumption

MIDI p.l.c. has registered a consolidated loss amounting to €1,022,255 (2023: loss €1,105,040) during the period ended 30 June 2024. The Group's total assets exceeded its total liabilities by €98,291,527 as at 30 June 2024 (As at 31 December 2023: €99,319,802). The Group has reviewed its financing arrangements to ensure that it is in a position to meet its operational and cash flow commitments in business as usual circumstances throughout the twelve-month period subsequent to 30 June 2024. In this regard it had previously secured new banking facilities with local banks which are currently being utilised (i) to finance in part ongoing operational expenditure and (ii) to finance the development of the Q3 residential block.

Notes to the condensed consolidated interim financial information – *continued*

2. Basis of preparation – *continued*

Assessment of going concern assumption - continued

This financial performance reflect the cyclical nature of the Group's property development business. Although MIDI has successfully launched the apartments of its latest residential development at Tigné Point (known as Q3 – Fortress Gardens) the sale of these residential units will only be recognized once the final deeds of sale are entered into with the respective buyers, in line with the requirements of International Financial Reporting Standards which form the basis of the Group's accounting policies. In addition, MIDI had no other inventory of residential apartments which it could deliver during the first six months of 2024. Revenues within the 'Development and sale of property' segment for the Relevant Period amounted to €10k (2023: €38k), contributing to an operating loss of €684k compared to an operating loss of €687k in the previous year.

Revenues within the 'Property and rental management' segment amounted to €1.49 million (2023: €1.41 million). Revenues from this segment are now largely in line with contracted lease agreements.

In January 2023, the Company launched the Q3 – Fortress Gardens apartment to the market. The market's response has been very positive with more than 80% of the apartments now subject to a promise of sale agreement.

Development works on the Q3 – Fortress Gardens apartment block commenced in the second quarter of 2022. The civil works are now complete with finishing and mechanical, electrical, plumbing and façade works progressing as scheduled. Delivery of these apartments is envisaged for the second half of 2025. As previously explained, the Company will be able to account for the profits generated from the sale of these apartments at delivery stage.

The development of Manoel Island continues to play a prominent part in the Group's activities. Discussions with Government are ongoing with regards to the specific remedies available in the Deed of Emphyteusis entered into on 15 June 2000 which will help to mitigate, in part, the impact of the reduction of development volumes as a consequence of the discovery of archaeological remains on the Manoel Island site. The discovery of such remains necessitated a revision to the Manoel Island masterplan which resulted in a reduction of development volumes from 127,000sqm to 95,000sqm.

Following the signing of a non-binding memorandum of understanding with AC Enterprises Limited (C49755) in December 2021, the Company has continued with negotiations and discussions with the party in question with a view to concluding the establishment of a joint venture with regards to the Manoel Island development. Although significant progress has been registered no transaction has been concluded yet.

As previously announced, the Planning Authority ("PA") has approved the Outline Permit for the revised Manoel Island Masterplan on 16 September 2021. This had followed the approval of the Environmental Impact Assessment ("EIA") by the Environmental and Resources Authority ("ERA"). Although the Outline Permit itself was not subject to appeal, the decision by ERA to approve the EIA was appealed by a third party. On the 10 January 2023, the Environment and Planning Review Tribunal advised that the third party's appeal had been rejected. Following this, the Court of Appeal also rejected the third party's appeal on 10 May 2023. As a result of this decision, the Outline Development Permit is now definitively confirmed and not subject to further appeal.

In parallel to the ongoing separate discussions with Government and AC Enterprises Limited, the detailed design process has continued in earnest and the full development application for the Manoel Island development PA1053/23 was submitted to the PA in December 2022.

Notes to the condensed consolidated interim financial information – *continued*

2. Basis of preparation – *continued*

Assessment of going concern assumption - continued

At the public hearing meeting of 14 March 2024 the Planning Board deferred the hearing of this full development application on the basis that Manoel Island lies within the proposed buffer zone for the Valletta World Heritage Site (“WHS”) and it was deemed desirable that a Heritage Impact Assessment (“HIA”) is commissioned on the basis of terms of reference subsequently issued by the Superintendence of Cultural Heritage (“SCH”).

The Board is confident that the proposed development of Manoel Island does not impact the status of the Valletta WHS as the SCH, after having consulted the National World Heritage Technical Committee (“NWHTC”), had not objected to this full development application as part of the consultation process undertaken by the Planning Authority. The HIA is now complete and has been submitted to the SCH for its consideration. Following this submission, a decision on Manoel Island’s full development application is expected during the second half of 2024. In the meantime, site preparatory works are ongoing on the Manoel Island site under the supervision of an archaeological monitor. The Board remains confident that the full development permit will be secured.

The Board is confident that the deferral of the hearing referred to above and the consequential potential delays will not affect the investment plans of the prospective investor as outlined in the memorandum of understanding referred to previously.

The emphyteutical deed entered into by the Group with Government earmarks the 31 March 2023 as the date by which the entire development had to be substantially completed. Nonetheless, the same emphyteutical deed provides for extension to the completion date in the eventuality of delays which result from events or circumstances outside the Group’s control. In the course of the development project of Manoel Island and Tigné Point, the Group experienced a number of delays associated with the issue of building permits and encountered site related conditions which were not foreseen at the point in time when the emphyteutical concession was granted. In the light of these circumstances and the contractual obligations emanating from the deed, the Group is currently actively engaged in discussions on this matter with the Government and on the basis of the ongoing discussions, the Board is confident that an outcome which will enable the successful completion of the project will be achieved.

The Board is cognisant of the fact that the returns of its main projects i.e. that of the Q3 – Fortress Gardens residential development and the Manoel Island development, are not expected to accrue in the short term. In view of this, the Group continues to adopt a prudent approach in its projected cashflow assessments. Based on these assessments, the Group has sufficient liquidity and financial resources to meet all its obligations and expected outflows after considering arrangements with its bankers in respect of sanctioned bank facilities.

In view of the aforementioned projects, the Company continues to assess its liquidity and capital management programmes by: i) monitoring the feasibility of the respective projects based on net cashflows that take into consideration both income streams and project outflows; ii) reviewing the sustainability of the carrying amount of assets allocated to the respective projects; and iii) assessing the appropriate funding mix to be applied to each project.

Notes to the condensed consolidated interim financial information – *continued*

3. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, which reports are utilised to make strategic decisions. The Group has two operating segments:

a) development and sale of property, which comprises primarily the construction and sale of residential units within Tigné Point and Manoel Island project; and
b) property rental and management, which involves the leasing and management of retail space at Pjazza Tigné and the catering units situated at the Foreshore as well as car park operations, services pertaining to HVAC and building technology.

The Board of Directors assesses the performance of the segments on the basis of segment operating results, before financing costs and tax impact. The table below illustrates the financial information for the reportable segments in relation to the six-month periods ended 30 June 2024 and 2023.

	Development and sale of property		**Property and rental management**		**Group**	
	2024	2023	**2024**	2023	**2024**	2023
	€	€	**€**	€	**€**	€
Segment revenue	**10,000**	38,000	**1,487,264**	1,412,695	**1,497,264**	1,450,695
Segment results - operating (loss)/profit	**(684,381)**	(686,707)	**183,633**	169,216	**(500,748)**	(517,491)
Segment total assets	**170,272,701**	162,159,846	**41,133,722**	41,738,158	**211,406,423**	203,898,004
Segment total liabilities	**130,935,592**	127,461,364	**30,741,958**	27,961,236	**161,677,550**	155,422,600

A reconciliation of segment total assets and liabilities, to the amounts presented in the consolidated financial statements, is as follows:

	Group	
	2024	2023
	€	€
Total assets		
Total assets for reportable segments	**211,406,423**	203,898,004
Unallocated items	**48,562,654**	50,844,398
Consolidated total assets	**259,969,077**	254,742,402
Total liabilities		
Total liabilities for reportable segments	**161,677,550**	155,422,600
Consolidated total assets	**161,677,550**	155,422,600

The Group's revenues are derived from operations carried out principally in Malta. Considering the nature of the Group's activities, its non-current assets are predominantly located in Malta.

Notes to the condensed consolidated interim financial information – *continued*

4. Earnings per share

Earnings per share is calculated by dividing the results attributable to equity holders of the Company by the weighted average number of ordinary shares of MIDI p.l.c. in issue. During both six-month periods ended 30 June 2024 and 2023, the weighted average number of shares in issue amounted to 214,159,922.

5. Trade and other payables

The current portion of trade and other payables as at 30 June 2024 includes amounts due to Government amounting to €40,253,690 (31 December 2023: €40,253,690), in relation to the purchase of land which have been determined on the basis of the contracted terms of emphyteutical grant entered into on 15 June 2000. Discussions are ongoing with Government in relation to specific remedies available in the Deed of Emphyteusis which will help to mitigate, in part, the impact of the reduction of development volumes brought about by the discovering of archaeological remains on Manoel Island site. Whilst the entire amount due to Government is contractually deemed as current on the basis of the original arrangement, the accurate amount of outflows expected during the next 12 months ending 30 June 2025 has not yet been determined, though it is highly likely that a minor portion of the amount would trigger outflows over the forthcoming 12 months.

The amount due to Government in relation to the purchase of land includes:

(a) an amount, originally contracted at €11.65 million, which is being satisfied through the performance of restoration works on major historical sites forming part of the project;
(b) an amount, originally contracted at €20.96 million, which is being satisfied through the construction of all the public infrastructure works required at Manoel Island and Tigné Point;
(c) the balance which is being settled in cash.

6. Borrowings

	As at 30 June 2024 (unaudited)			**As at 31 December 2023 (audited)**		
	Current	Non-current	**Total**	Current	Non-current	**Total**
	€	€	**€**	€	€	**€**
Bank loans	-	9,722,767	**9,722,767**	-	7,772,790	**7,772,790**
500,000 4% Secured Euro Bonds 2026	-	49,808,444	**49,808,444**	-	49,762,471	**49,762,471**
Total borrowings	-	59,531,211	**59,531,211**	-	57,535,261	**57,535,261**

7. Related party transactions

All companies forming part of the respective groups of companies of which Alf. Mizzi & Sons Limited, Gasan Enterprises Limited, MAPFRE MSV Life p.l.c., Polidano Brothers Limited, Vassallo Builders Group Limited and Lombard Bank Malta p.l.c. form part, are considered by the Directors to be related parties together with First Gemini p.l.c. and Mr. Mark Andrew Weingard, by virtue of the shareholding that the companies and persons referred to have in MIDI p.l.c..

All entities owned, controlled or significantly influenced by the Company’s ultimate shareholders, together with the Company’s Directors, close members of their families and all entities owned, controlled or significantly influenced by these individuals, are the principal related parties of the Group. The Company’s related parties include its subsidiaries.

Notes to the condensed consolidated interim financial information – *continued*

7. Related party transactions - *continued*

The Company has a 50% shareholding in Mid Knight Holdings Limited, a joint venture through T14 Investments Limited (a fully-owned subsidiary).

The principal transactions carried out with related parties were as follows:

i) Purchase of goods and services
During the six-month period ended 30 June 2024, the Group purchased services from related parties for the amount of €38,818 (period ended 30 June 2023: €131,935).

At the end of the interim period under review, the Group had outstanding contractual commitments with related parties for project development for the amount of €1,407,998 (31 December 2023: €1,407,998).

ii) Rental income
The rental income earned from lease arrangements with related parties during the six-month period ended 30 June 2024 amounted to €82,597 (period ended 30 June 2023: €79,210).

iii) Sale of services
Income from sale of services to related parties during the six-month period ended 30 June 2024 amounted to €133,206 (period ended 30 June 2023: €132,651).

iv) Bank loans
As at 30 June 2024 the Group has banking facilities of €9,722,794 (31 December 2023: €7,772,763) owed to related parties. The interest charged on loans from related parties during the six-month period ended 30 June 2024 amounted to €211,888 (period ended 30 June 2023: €138,307).

v) Deposits with banks
Bank deposits placed with related parties as at 30 June 2024 amounted to €276,378 (31 December 2023: €517,791). No interest income was earned on deposits with related parties during the six-month period ended 30 June 2024 and 30 June 2023.

vi) Holdings of bonds issued by MIDI p.l.c.

	Face value of bonds held at		**Interest payable during the six months ended**	
	30 June 2024	31 December 2023	**30 June 2024**	30 June 2023
	€	€	**€**	€
Held by related parties in own name	**261,500**	261,500	**5,230**	5,230

Notes to the condensed consolidated interim financial information – *continued*

7. Related party transactions - *continued*

Balances with related parties outstanding as at end of the reporting period, excluding bank loans, other borrowings and bank deposits, were as follows:

	As at 30 June 2024	As at 31 December 2023
	€	€
Amounts owed to related parties	**23,788**	6,812
Outstanding deposits effected under operating lease arrangements	**35,000**	35,000
Amounts owed by related parties	**2,118**	2,086
Amounts owed by joint venture	**1,182,276**	1,178,459

The directors are considered to be the Group's key management personnel and transactions with these related parties consist solely of directors' remuneration which amounted to €59,921 (period ended 30 June 2023: €53,552).

Transactions with related parties which have been included within additions for the year within Inventories – Development project amounted to €8,352 (period ended 30 June 2023: €14,152).

The transactions undertaken with related parties, disclosed above, were carried out on commercial terms in the normal course of business and are subject to scrutiny by the Board of Directors.

The Group also enters into other transactions with other related parties, such as the placement of insurance risks, but the related transaction amounts are not considered to have a material impact on the financial results and financial position of the Group.

8. Fair values of financial instruments

At 30 June 2024 and 31 December 2023 the carrying amounts of specific financial instruments, comprising cash at bank, receivables, payables, accrued expenses and short-term borrowings approximated their fair values in view of the nature of the instruments or their short-term maturity.

The carrying amount of the 4% Secured Euro Bonds 2026 as at 30 June 2024 was €49.8 million (31 December 2023: €49.8 million). The quoted market price for the bonds as at 30 June 2024 was €99.75 (31 December 2023: €96.00), which in the opinion of the Directors fairly represented the fair value of these financial liabilities. The fair value estimate in this respect is deemed Level 1 as it constitutes a quoted price in an active market.

The fair value of the other principal non-current financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Notes to the condensed consolidated interim financial information – *continued*

8. Fair values of financial instruments - *continued*

The Directors have assessed the fair value of the amount due to Government in relation to purchase of land by reference to the original discount rate applied upon completion of the deed adjusted by changes recorded since then by the end of the reporting period in the yields to maturity of long-term Malta Government securities with tenor similar to the repayment terms of the liability towards the Government. On this basis, the fair value at 30 June 2024 of the amount due to Government with respect to the purchase of land amounted to €40.3 million (31 December 2023: €40.3 million). The current market interest rates utilised for fair value estimation are considered observable and accordingly these fair value estimates have been categorised as Level 2.

The fair value of the Group's bank borrowings as at the end of the reporting period is not materially different from the carrying amounts. The current market interest rates utilised for discounting purposes, which were almost equivalent to the respective instruments' contractual interest rates, are deemed observable and accordingly these fair value estimates have been categorised as Level 2.

Directors' Statement pursuant to Capital Market Rule 5.75.3

We hereby confirm that to the best of our knowledge:

- The condensed consolidated interim financial information gives a true and fair view of the financial position of the Group as at 30 June 2024, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34, 'Interim Financial Reporting').
- The interim directors' report includes a fair review of the information required in terms of Capital Markets Rules 5.81 to 5.84.

Alec A. Mizzi
Chairman

Mark Portelli
Director

30 August 2024