

# Investor Update

## First half 2021

September 2021



- P&L progressing in the right direction:
  - Revenues were higher in the first half (y-on-y) <sup>1</sup>
  - Led to higher operating profits
- NAV also increased:
  - NAV per share up to €0.57 (up from €0.55 at December 2020)
  - Contribution from St. George's Exchange
  - Supported by further recognition of fair value on the Swatar property
- Dividend payout increased by 20% vs. previous year
  - 1c2 paid out (on 2020 earnings) vs 1c in previous year

1. Compared to H1 2020

- Steady progress on portfolio recycling:
  - Exit from St. George's Exchange completed
  - Ran tender process for Birkirkara project. Conclusion expected in near-term
- Continued progress on growth strategy:
  - Pursuing a number of investment opportunities in line with our strategy
  - Progress on Zejtun development: completion expected in the coming months

# H1 2021: Key Financial Highlights

## Operating Profit

- Rental income grew to €1.8M
- Operating Profit grew to €1.3M

## Fair Valuation of Property

- Increase in FV from St. George's Exchange
- Increase in FV from Swatar property

## Profit for the Half-Year

- Profit after tax stood at €2.3M (€0.7M in H1 2020)
- EPS of €0.02 (€0.01 in H1 2020)

# H1 2021 Profit and Loss Account

## Statement of Comprehensive Income

	Year ended 30.06.2021 €000	Year ended 30.06.2020 €000	Variance €000
Rental income	1,819	1,596	223
Other income	23	15	8
<b>Total income</b>	<b>1,842</b>	<b>1,611</b>	<b>231</b>
Administrative expenses	(557)	(460)	(97)
<b>Operating profit</b>	<b>1,286</b>	<b>1,151</b>	<b>134</b>
Finance cost	(306)	(237)	(69)
Adjustment arising on fair valuation of property	1,925	-	1,925
<b>Profit before tax</b>	<b>2,905</b>	<b>914</b>	<b>1,990</b>
Tax expense	(602)	(215)	(388)
<b>Profit for the year</b>	<b>2,302</b>	<b>700</b>	<b>1,603</b>
<b>Earnings per share (in euro)</b>	<b>0.02</b>	<b>0.01</b>	<b>0.016</b>

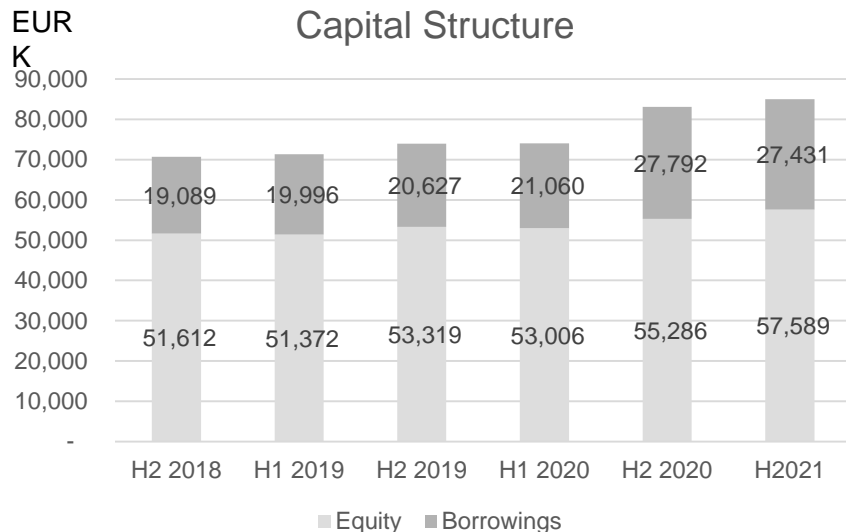
- The increase in **rental income** from the prior six-month period is mainly due to the additional rent from the Swatar property and contracted inflationary increases, netted by the decrease in rent from MSH Old Exchange (vacated by GO in Feb 2021).
- **Other income** for the prior six-month period increased due to increase in maintenance fee income as per lease agreements/inflation.
- Increases in **admin expenses** for the six-month period included professional advice in relation to AGM, M&A and new Listing Rules matters; increased Directors' & Officers' insurance due to international market conditions, increased Repairs & Maintenance costs as a result of increased company operations (namely Swatar property), increase in staff related expenses including travelling and training.
- **Finance costs** in 2021 includes interest on the Swatar loan.

# Key Balance Sheet metrics

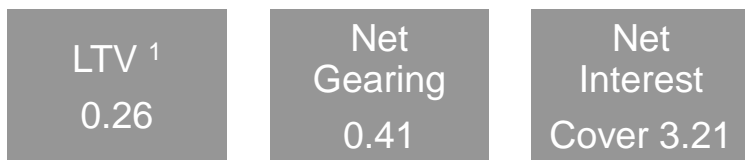
Company Performance			
	Jun-21 €000	Dec-20 €000	Variance €000
Total assets	96,227	94,099	2,128
Total liabilities	(38,638)	(38,813)	174
NAV at end of year	57,589	55,286	2,302
<b>NAV per share</b>	<b>0.568</b>	<b>0.546</b>	<b>0.02</b>
<b>NAV per share (excluding dividend)</b>	<b>0.588</b>	<b>0.566</b>	<b>0.02</b>
Property value (excluding PPE)	90,908	88,147	2,761
Net borrowings	23,468	23,118	350
<b>Loan-To-Value</b>	<b>0.26</b>	<b>0.26</b>	<b>(0.00)</b>
Equity	57,589	55,286	2,302
Net borrowings	23,468	23,118	350
<b>Gearing Ratio (net)</b>	<b>41%</b>	<b>42%</b>	<b>(0.01)</b>

- **NAV** : Increased in H1 by €2.302m.
- **Net Borrowings** : Made up of :
  - 16m loan facility
  - drawdowns on ZTN project €6.25m, less repayments of €0.83m
  - Swatar loan facility balance of €6m
  - Less cash and cash equivalents (including cash on hold/deposits) of €3.96m

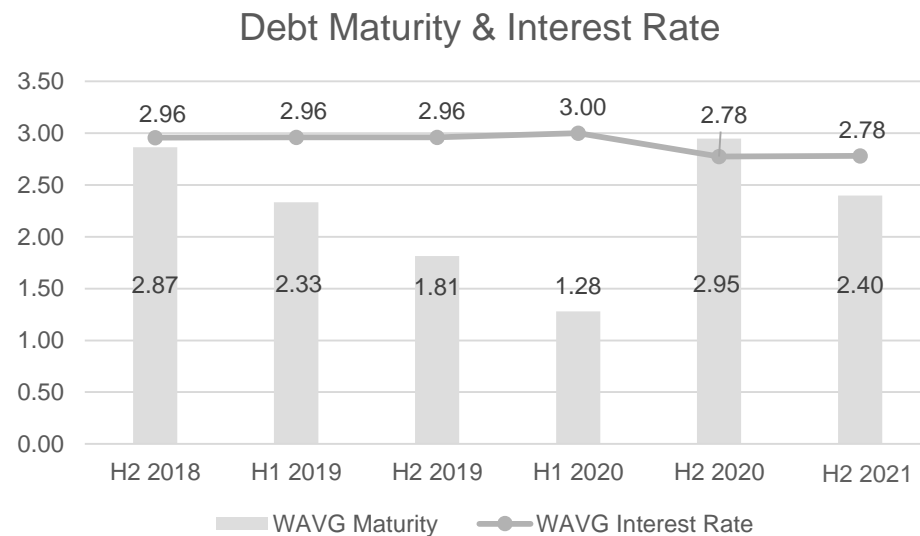
# Capital Structure & Debt Overview



### Financing Metrics



1. LTV calculation includes cash



# Acquisition on Promise of Sale

## *Overview of Transaction*

- MPC entered a POS to acquire the MIB Building in Abate Rigord Street, Ta'Xbiex for a price of €8,750,000
- Fully leased out; acquisition at cap rate at 7.6% <sup>1</sup>
- Transaction conditioned on:
  - Satisfactory due diligence
  - Bank financing
  - Attainment of AIP Permit



## *Property Facts*

Office building  
of 2,530 sqm

Prime location

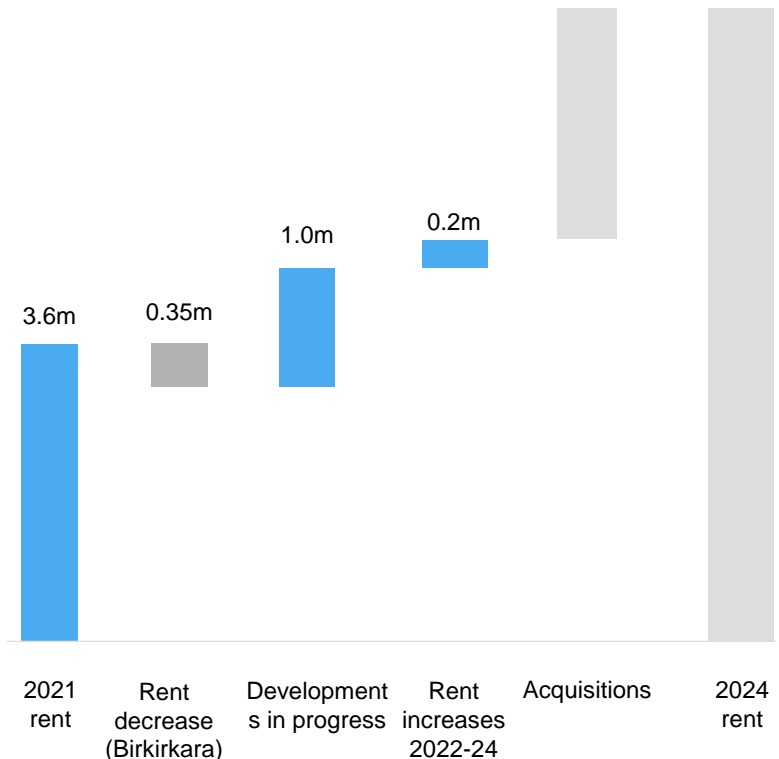
Fully leased out for  
the medium term <sup>2</sup>

Internally renovated  
to a high standard

1. Cap rate reflects net annual rent / acquisition price.
2. One (of two) tenants may terminate lease at 6 months' notice.



- Satisfactory results year to date
- Positive about our direction of travel:
  - Exit properties where limited economic returns
  - Invest in additional properties and benefit from economies of scale
- Revenue and profits expected to increase over next 12 months aided by portfolio recycling



- Zejtun expected to start generating income in 2022
- Work currently ongoing to install apertures, building integrated PV panels and other finishes
- MPC has a lot of potential and we are working to unlock this





# Malta Properties

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