

MPC 122021



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COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Malta Properties Company p.l.c. (“the Company”) pursuant to the Capital Markets Rules as issued by the Listing Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the Laws of Malta) as they may be amended from time to time.

Quote

In a meeting held earlier today 05 August 2021, the Board of Directors of the Company approved the Group Interim Unaudited Financial Statements for the six-month period ended 30 June 2021.

The Interim Financial Statements are available for viewing on the Company’s website <http://maltaproperties.com.mt/company-announcements/>

Unquote

A handwritten signature in blue ink, appearing to read 'Francis Salomone', written over a horizontal line.

Dr. Francis Galea Salomone
Company Secretary

05 August 2021

MALTA PROPERTIES COMPANY P.L.C.

**Condensed Consolidated
Interim Financial Statements**

For the period 1 January 2021 to 30 June 2021

MALTA PROPERTIES COMPANY P.L.C.
Condensed Consolidated Interim Financial Statements
For the period 1 January 2021 to 30 June 2021

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Directors' Report pursuant to Listing Rule 5.75.2

This Half-Yearly Report is being published in terms of Chapter 5 of the Listing Rules of the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The half-yearly report comprises the reviewed (not audited) condensed consolidated interim financial statements for the six months ended 30 June 2021 prepared in accordance with International Financial Reporting Standards adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). The condensed consolidated interim financial statements have been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. The comparative statement of financial position has been extracted from the audited financial statements for the year ended 31 December 2020.

Principal activities

The main activities of the Group are property development and the holding of immovable property for rental to others. As the holding company of the Malta Properties Company (MPC) p.l.c. Group, MPC p.l.c is ultimately dependent upon the operations and performance of its subsidiaries and their respective operations. The parent company may, inter alia, directly or through subsidiary companies, acquire by any title whatsoever, and take on lease or sub-lease and dispose of, grant and/or lease and hold property of any kind, whether movable or immovable for the purposes of its business, and construct, develop and enter into arrangements with contractors and other service providers in connection with its properties.

Review of financial performance

The Group continued to achieve satisfactory results. During the six-month period ended 30 June 2021, the Group's rental income amounted to €1,818,751 (2020: €1,595,939). The increase in rental income from the previous period is mainly due to the additional rent received on the HSBC Contact Centre in Swatar, which was acquired by the Group in September 2020. The long term lease agreements the Group has with its tenants continue to secure revenues at these levels for the foreseeable future. Revenue is expected to increase further once the Zejtun development is completed, despite the release of the Marsa Old Exchange.

The Group's operating profit during this period amounted to €1,285,501 (2020: €1,151,491). The increase in operating profit reflects the increase in revenue as explained above and an increase in administrative expenses which totalled €556,501 (2020: €459,826). This increase mainly resulted from additional professional fees incurred in relation to new Listing Rules requirements, increased Directors and Officers insurance costs due to the international current market conditions, increased maintenance as a result of increased Group's operations and increase in staff related expenses. Finance costs increased from prior year mainly due to the new loan drawn down in 2020 upon the acquisition of the Swatar property and stood at €305,733 (2020: €237,130).

Profit for the period amounted to €2,302,427 (2020: €699,828), an increase of €1,602,599 from the prior period. This increase resulted from an increase in the fair value of properties, netted by related deferred tax, and the increase in rental income, netted by the increased administration expense as explained above. Earnings per share in 2021 stood at €0.023 (2020: €0.007).

The Group's maintained a strong financial position. During the period ended 30 June 2021, the value of the Group's property portfolio increased by €2,760,761 and reached €90,907,534 (31 December 2020: €88,146,773). This increases mainly relates to the continued development in Zejtun and fair value increases for the properties in Swatar and St. George's. As of 30 June 2021, the Group's cash and cash equivalents amounted to €3,352,871 (2020: €4,568,874).

Directors' Report pursuant to Listing Rule 5.75.2 - continued

Related party transactions

During the period under review, the company did not pay any dividend to the parent company as the dividend had not yet been approved for payment since the AGM was held after the period end, on 15 July 2021. During the first six months of 2020, the company paid dividends of €607,863 to the parent company.

Commentary on performance

This half yearly report continues to show MPC's strong financial position as it declares dividends and portrays increases in gross and net asset values. MPC provides its shareholders with a way to invest in local commercial real estate and delivers increased value to its shareholders through maximising the value of its current portfolio and also through acquiring properties at an adequate return while minimising risk.

The Group expects to significantly progress on its development projects this year. The Zejtun development is expected to be completed towards the end of 2021, with rental income being received as from then. MPC has advanced in the planning application process for its Spencer Hill site in Marsa and the permit is expected to be issued by the end of the year.

During the six-month period ended 30 June 2021, the Group has also continued to explore various opportunities and is currently evaluating a number of acquisition projects.

A portion of the Group's bank borrowings amounting to €16,000,000 is nearing its expiration and is to be repaid as a bullet repayment at the end of 2021. The Group is at an advanced stage of renegotiating the facility to address liquidity needs for the next twelve months.

Covid19 has not resulted in any financial impact on the company so far and MPC has shown to be resilient in its business operations. As explained in the investment property note on page 10, MPC's income is secured for the medium term by lease agreements in place. There is a risk however that the pandemic will have an impact on the overall real estate market rate, which could to some extent impact the value of the MPC portfolio going forward. We will continue to monitor closely how the market evolves and we will adapt our strategy accordingly.

In line with the Group's strategy, the Group continues to grow its portfolio of assets and shareholder value, while maintaining a strong financial position. The Group is grateful for the support of its shareholders and intends to continue adding outstanding value to all its stakeholders.

Directors' Report pursuant to Listing Rule 5.75.2 - continued

Directors

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

Mr. Mohamed Sharaf (Chairman)

The Noble Paul S. Testaferrata Moroni Viani (retired on 15 July 2021)

Dr. Brigitte Zammit

Mr. Edmond Brincat (retired on 15 July 2021)

Mr. Deepak S. Padmanabhan


In terms of Article 96.1 of the Articles of Association, the term of appointment of the Directors still in office expires at the end of the forthcoming Annual General Meeting.

Dr. Cory Greenland, Mr. Deepak Padmanabhan and The Noble Paul S. Testaferrata Moroni Viani offered themselves for election at the last Annual General Meeting for the two seats on the Board of Directors, and Dr. Cory Greenland and Mr. Deepak Padmanabhan were elected to represent the Company's shareholders.

Dividends

The Board of Directors has resolved to determine the extent of any dividend distribution for 2021 on the basis of the full year results. Accordingly, no dividends are declared upon the issue of the results for the six-month period ended 30 June 2021.

Approved by the Board of Directors on 5 August 2021 and signed on its behalf by



Mohamed Sharaf
Chairman



Deepak Padmanabhan
Director

MALTA PROPERTIES COMPANY P.L.C.
Condensed Consolidated Interim Financial Statements
For the period 1 January 2021 to 30 June 2021

Condensed consolidated statement of financial position

	As at 30.06.2021 Unaudited €	As at 31.12.2020 Audited €
ASSETS		
Non-current assets		
Investment property	76,907,534	75,571,773
Property, plant and equipment	897,570	901,610
Trade and other receivables	247,666	175,419
Total non-current assets	78,052,770	76,648,802
Current assets		
Trade and other receivables	197,386	180,690
Deposits	609,000	609,000
Current tax assets	15,211	20,991
Cash and cash equivalents	3,352,871	4,064,626
Assets classified as held for sale	4,174,468 14,000,000	4,875,307 12,575,000
Total current assets	18,174,468	17,450,307
Total assets	96,227,238	94,099,109

MALTA PROPERTIES COMPANY P.L.C.
Condensed Consolidated Interim Financial Statements
For the period 1 January 2021 to 30 June 2021

Condensed consolidated statement of financial position - continued

	As at 30.06.2021 Unaudited €	As at 31.12.2020 Audited €
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	32,419,356	32,419,356
Other reserve	249,515	249,515
Retained earnings	24,919,958	22,617,531
Total equity	57,588,829	55,286,402
LIABILITIES		
Non-current liabilities		
Borrowings	9,848,084	10,214,698
Deferred tax liability	8,719,213	8,456,723
Trade and other payables	102,408	102,408
Total non-current liabilities	18,669,705	18,773,829
Current liabilities		
Borrowings	17,582,057	17,577,344
Trade and other payables	2,114,117	2,282,243
Current tax liability	272,530	179,291
Total current liabilities	19,968,704	20,038,878
Total liabilities	38,638,409	38,812,707
Total equity and liabilities	96,227,238	94,099,109

The notes on pages 9 to 14 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 4 to 14 were authorised for issue by the Board on 5 August 2021 and were signed on its behalf by:



Mohamed Sharaf
Chairman



Deepak Padmanabhan
Director

MALTA PROPERTIES COMPANY P.L.C.
Condensed Consolidated Interim Financial Statements
For the period 1 January 2021 to 30 June 2021

Condensed consolidated statement of comprehensive income

	Six-months ended 30.06.2021 Unaudited €	Six-months ended 30.06.2020 Unaudited €
Rental income	1,818,751	1,595,939
Other income	23,251	15,378
Administrative expenses	(556,501)	(459,826)
Operating profit	1,285,501	1,151,491
Finance income	23	37
Finance costs	(305,733)	(237,130)
Adjustment arising on fair valuation of property	1,925,000	-
Profit before tax	2,904,791	914,398
Tax expense	(602,364)	(214,570)
Profit for the period - total comprehensive income	2,302,427	699,828
Earnings per share	0.023	0.007

The notes on pages 9 to 14 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of changes in equity

Unaudited	Share capital €	Other reserve €	Retained earnings €	Total €
Balance at 1 January 2020	32,419,356	249,365	20,650,747	53,319,468
Comprehensive income				
Profit for the period	-	-	699,828	699,828
Total comprehensive income for the period	-	-	699,828	699,828
Transactions with owners				
Dividends paid to equity holders	-	-	(1,013,101)	(1,013,101)
Balance at 30 June 2020	32,419,356	249,365	20,337,474	53,006,195
Balance at 1 January 2021	32,419,356	249,515	22,617,531	55,286,402
Comprehensive income				
Profit for the period	-	-	2,302,427	2,302,427
Total comprehensive income for the period	-	-	2,302,427	2,302,427
Balance at 30 June 2021	32,419,356	249,515	24,919,958	57,588,829

The notes on pages 9 to 14 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of cash flows

	Six-months ended 30.06.2021 Unaudited €	Six-months ended 30.06.2020 Unaudited €
Cash flows from operating activities		
Cash generated from operations	961,172	529,781
Interest paid	(305,710)	(237,130)
Income tax paid	(240,855)	(96,962)
Net cash generated from operating activities	414,607	195,689
Cash flows from investing activities		
Additions to investment property	(763,012)	(883,330)
Purchase of property, plant and equipment	(1,448)	(1,317)
Payments made on promise of sale	-	(886,100)
Net cash used in investing activities	(764,460)	(1,770,747)
Cash flows from financing activities		
Dividends paid	-	(1,013,101)
Bank loan drawdown	425,698	707,319
Repayment of bank loan	(787,600)	(275,000)
Net cash used in financing activities	(361,902)	(580,782)
Net movement in cash and cash equivalents	(711,755)	(2,155,840)
Cash and cash equivalents at beginning of period	4,064,626	6,724,714
Cash and cash equivalents at end of period	3,352,871	4,568,874

The notes on pages 9 to 14 are an integral part of these condensed consolidated interim financial statements.

Notes to the consolidated interim financial statements

Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting, have been extracted from the Group's unaudited accounts for the six months ended 30 June 2021 and have been reviewed in terms of ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The half-yearly results are being published in terms of Chapter 5 of the Listing Rules of the Malta Financial Services Authority.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

Accounting policies

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those of the annual financial statements of Malta Properties Company p.l.c. for the year ended 31 December 2020, as described in those financial statements. Adoption of new standards, amendments and interpretations to existing standards that are mandatory for accounting period beginning on 1 January 2021 did not result in changes to the Company's and its subsidiaries' accounting policies and did not require retrospective adjustments.

Standards, interpretations and amendments to published standards effective during the reporting period

During the financial period under review, the Group and Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group and the Company's accounting period beginning on 1 January 2021.

Investment property and assets classified as held for sale

	As at 30.06.2021 €	As at 31.12.2020 €
Opening carrying amount	75,571,773	75,740,550
Additions	835,761	9,662,691
Net gains from changes in fair value	500,000	2,743,532
Reclassified to assets held for sale	-	(12,575,000)
Closing carrying amount	76,907,534	75,571,773
Cost or valuation	65,254,131	64,418,370
Net fair value gains	11,653,403	11,153,403
Carrying amount	76,907,534	75,571,773

Investment property comprises commercial property mainly leased out to a related party.

Notes to the consolidated interim financial statements - continued

Investment property and assets classified as held for sale - continued

Fair valuation of land and buildings

The Group's investment property were revalued in December 2020 by an independent firm of property valuers having appropriate recognised professional qualifications and experience in the location and category of the property being valued. The Directors have reviewed the carrying amounts of the properties as at 31 December 2020, on the basis of an assessment by the independent property valuers, and the carrying amounts were adjusted accordingly during that financial year. Valuations by an independent firm of property valuers were not carried out for the period ended 30 June 2021. Nevertheless, the directors believe that there is no significant movement in terms of the valuations done last December 2020, except for the increased value of the Swatar property following refurbishment work done by the tenant and the St. George's property where the fair value was adjusted to reflect the expected sale transaction price.

Valuations were made on the basis of open market value after considering the returns being attained by the property and its intrinsic value. Most of the Group's investment properties are covered by medium term leases which secure the Group's income and returns for the coming years, and no difficulty in collecting rent due is foreseen. The fair value of the properties which will be vacated in the short term is not considered to be significantly different from their book value.

The Group is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which the recurring fair value measurements are categorised in their entirety (Level 1, 2 or 3). The different levels of the fair value hierarchy have been defined as fair value measurements using:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group's investment property comprises various exchanges and offices. All the recurring property fair value measurements at 30 June 2021 use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the six-month period ended 30 June 2021.

A reconciliation from the opening balance to the closing balance for recurring fair value measurements categorised within Level 3 of the value hierarchy, is reflected in the table above. The movement during the six-month period ended 30 June 2021 reflects additions and changes in fair value.

Valuation processes

The valuations of the properties are performed annually on the basis of valuation reports prepared by independent and qualified valuers. These reports are based on both:

- information provided by the Group which is derived from the Group's financial systems and is subject to the Group's overall control environment; and
- assumptions and valuation models used by the valuers - the assumptions are typically market related. These are based on professional judgement and market observation.

Notes to the consolidated interim financial statements - continued

Investment property and assets classified as held for sale - continued

Valuation processes - continued

The information provided to the valuers, together with the assumptions and the valuation models used by the valuers, are reviewed by the Chief Financial Officer (CFO). This includes a review of fair value movements over the period. When the CFO considers that the valuation report is appropriate, the valuation report is recommended to the Audit Committee of the parent Company. The Audit Committee considers the valuation report as part of its overall responsibilities.

At the end of every reporting period, the CFO assesses whether any significant changes or developments have been experienced since the last external valuation. This is supported by an assessment performed by the independent firm of property valuers. The CFO reports to the Audit Committee on the outcome of this assessment.

Valuation techniques

The external valuations of the Level 3 property have been performed using a variety of methods, including the discounted cash flow method and an adjusted sales comparison method. Each property was valued using the method considered by the external valuers to be the most appropriate valuation method for that type of property.

In view of a limited number of similar or comparable properties and property transactions, comprising sales or rentals in the respective markets in which the properties are located, the valuations have been performed using unobservable inputs.

The significant inputs to the approaches used are generally those described below:

- Discounted cash flow method considers the free cash flows arising from the projected income streams expected to be derived from the operation of property, discounted to present value using an estimate of the weighted average cost of capital that would be available to finance such an operation. The significant unobservable inputs utilised with this technique include:

Projected pre-tax cash flows which are initially mainly based on the existing rental income streams less operating costs that reflect the existing cost structure. Going forward, all the rental streams are adjusted to reflect contracted rental adjustments including annual growth rates. An average growth rate of 1.18% per annum is being assumed. In the case of properties currently under development, estimated development costs to complete were also considered.

Discount rates based on current market interest rates and a risk premium that reflects the valuers' assessment to specific risk attached to the property being valued and its underlying activity.

- The adjusted sales method - The significant input to the sales comparative approach is generally a sales price per square metre related to transactions in comparable properties located in proximity to the Group's property, with significant adjustments for differences in the size, age, exact location and condition of the property. The term airspace is a conceptual unit representing a packet of three-dimensional accessible, usable and developable space. The concept of sales price factor per airspace or square metre is the value expected to be fetched on the open market and represents the present value of the property after deduction of all development, refurbishment and related costs.

Notes to the consolidated interim financial statements - continued

Investment property and assets classified as held for sale - continued

Information about fair value measurements using significant unobservable inputs (Level 3)

	Fair value at 30 June 2021 €000	Valuation technique	Significant unobservable input	Range of unobservable inputs
Land and buildings				
Current use as office premises	40,553	Discounted cash flow method	Discount rate	6.1% - 7.4%
Developable land for industrial/commercial Use	20,560	Discounted cash flow method	Discount rate	6.0% - 6.7%
Marketed as extended-commercial premises	6,500	Adjusted sales method	Sales price per square metre	€1,260
Marketed as residential-commercial Developments	6,950	Adjusted sales method	Sales price per square metre	€2,080
	2,345	Discounted cash flow method	Discount rate	6.1%
Investment property classified as held for sale				
Marketed as extended-commercial premises	14,000	Adjusted sales method	Sales price per square metre	€5,850
	Fair value at 31 December 2020 €000	Valuation technique	Significant unobservable input	Range of unobservable inputs
Land and buildings				
Current use as office premises	40,017	Discounted cash flow method	Discount rate	6.1% - 7.4%
Developable land for industrial/commercial use	19,760	Discounted cash flow method	Discount rate	6.0% - 6.7%
Marketed as extended-commercial premises	6,500	Adjusted sales method	Sales price per square metre	€1,260
Marketed as residential-commercial developments	6,950	Adjusted sales method	Sales price per square metre	€2,080
	2,345	Discounted cash flow method	Discount rate	6.1%
Investment property classified as held for sale				
Marketed as extended-commercial premises	12,575	Adjusted sales method	Sales price per square metre	€5,260

Notes to the consolidated interim financial statements - continued

Investment property and assets classified as held for sale - continued

Information about fair value measurements using significant unobservable inputs (Level 3) - continued

For the sales comparative method, the higher the rate per square metre, the higher the resultant fair valuation. Conversely, the lower the capitalisation rate, the higher the resultant fair valuation.

In respect of the discounted cashflow approach, the higher the annualized net cash inflows, and growth rate, the higher the fair value. Conversely, the lower the discount rate, the estimated development costs, and capitalisation rate used in calculating the annualized net cash inflows, the higher the fair value.

The St. George's property, which is currently on promise of sale, is expected to be sold during quarter three of 2021.

Borrowings

A portion of the Group's bank borrowings amounting to €16,000,000 is nearing its expiration and is to be repaid as a bullet repayment at the end of 2021. The Group is at an advanced stage of renegotiating the facility to address liquidity needs for the next twelve months.

Commitments

Commitments which have been authorised and contracted for relating to the development of investment property not provided for in the interim financial statements amounted to €2,801,064 as at 30 June 2021 (2020: €981,827). Commitments which have been authorised but not yet contracted for relating to the development of investment property not provided for in the interim financial statements amounted to €108,750 as at 30 June 2021 (2020: €2,306,085).

Dividends

A dividend in respect of the year ended 31 December 2020 of €0.012 (2019: €0.01) per share, amounting to €1,215,726 (2019: €1,013,101), was proposed by the Board of Directors during the period. The 2020 dividend was approved for payment at the Company's AGM and was paid on 21 July 2021.

Contingencies

There were no major changes in the contingencies of the Company and its subsidiaries from those disclosed in the consolidated financial statements of the Group for the year ended 31 December 2020.

Notes to the consolidated interim financial statements - continued

Related party

(a) Parent and ultimate controlling party

The Company's ultimate parent is Dubai Holding LLC, the registered office of which is situated at Um Suqeim 3, PO Box 66000, Dubai, UAE. The immediate parent of the Company, with a 60% holding, is Emirates International Telecommunications (Malta) Limited, a company which is ultimately controlled by Dubai Holding LLC as it forms part of the same group of companies of which Dubai Holding LLC is the ultimate parent. Dubai Holding LLC is owned by H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

(b) Related party transactions

Consistent with the disclosures in the audited financial statements for the year ended 31 December 2020, the Group has a related party relationship with its ultimate parent and entities ultimately controlled by it (see above); key management personnel (group companies' directors) together with close members of their family and entities controlled by them.

The principal related party transactions during the six-month period under review comprise:

	Six months ended 30.06.2021 €	Six months ended 30.06.2020 €
Related entities		
Services provided to	1,190,046	1,321,455
Services received from	2,483	11,055
Dividends paid to	-	607,863

Dividends amounting to €729,436 were paid to related entities on 21 July 2021, after the period end, and therefore are not disclosed in the table above.

Statement pursuant to Listing Rule 5.75.3

I confirm that to the best of my knowledge:

- the condensed consolidated interim financial information gives a true and fair view of the financial position of the Group as at 30 June 2021, 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 (International Accounting Standard 34, 'Interim Financial Reporting');
- the Interim Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



Mohamed Sharaf
Chairman

5 August 2021



Independent auditor's report

To the Board of Directors of Malta Properties Company p.l.c. Report on Review of Condensed Consolidated Interim Financial Information

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Malta Properties Company p.l.c. and its subsidiaries (the Group) as at 30 June 2021, and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes ('the interim financial information'). The directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report, including its conclusion, has been prepared for the Group for the purpose of the Listing Rules of the Malta Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

PricewaterhouseCoopers

78 Mill Street,
Zone 5 Central Business District
Qormi CBD 5090
Malta

Lucienne Pace Ross
Partner

5 August 2021

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- a) The maintenance and integrity of the Malta Properties Company p.l.c. website is the responsibility of the Directors of the Company; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the condensed consolidated interim financial information since this was initially presented on the website.
- b) Legislation in Malta governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.