

# Investor Update

Full Year 2022



# Agenda

- Overview
- Financial Highlights
- Outlook



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- **Financial Highlights**
- **Outlook**



# Strong Financial Performance



10% growth in Assets

Total Assets at 102.1m in 2022  
Total Assets at 92.8m in 2021



16% growth in Revenue

Revenue of 4.2 million in 2022  
Revenue of 3.6 million in 2021



32% growth in operating profits

EBIT of 2.7 million in 2022  
EBIT of 2.1 million in 2021

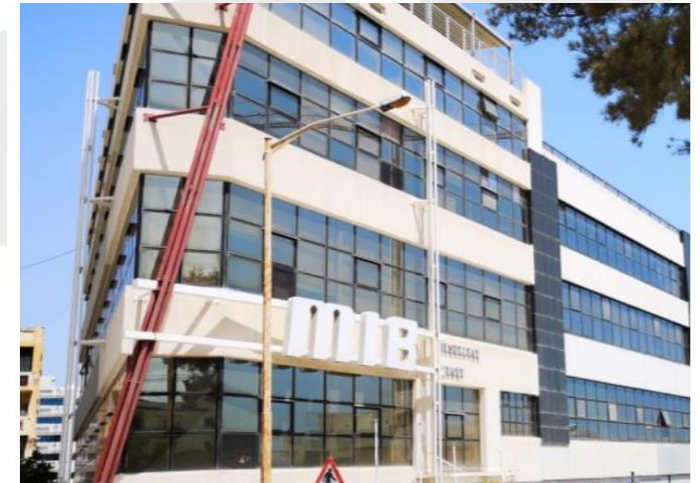
# Delivering key projects

- A key highlight of 2022 was the handover of the Zejtun site, a major development project that MPC had been working on for several years
- Another highlight was the purchase of an office building in the prime location of Ta' Xbiex



## Development - Zejtun

- 10,000 sq.m
- State-of-the-art build
- Blue-chip tenant
- 10 year lease in place



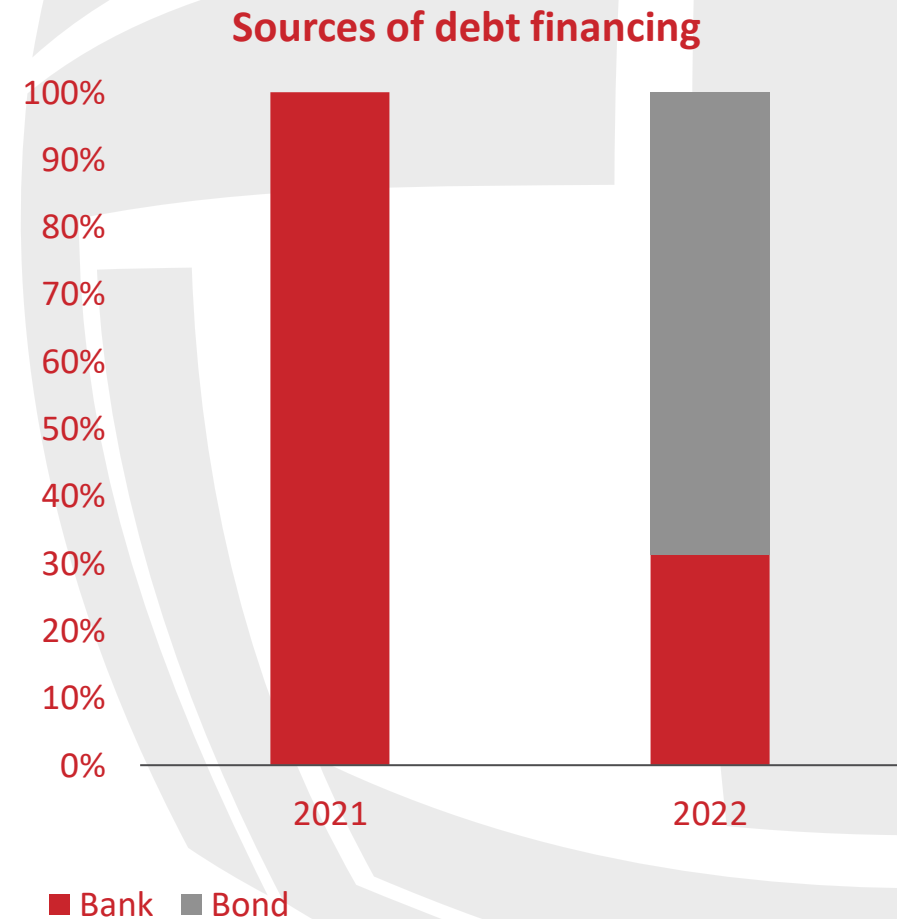
## Acquisition – Ta'Xbiex

- 2,500 sq.m
- Modern offices with natural light on all sides
- Attractive valuation

# Securing long term funding

- 2022 also saw MPC's first Bond offering
- €25 million secured bond with 4.0% coupon fully subscribed through pre-placement offerings
- Consequently, majority of MPC debt financing is via the Bond. This has tangible benefits:
  - Significant cash savings, estimated at c. 500k p.a. <sup>1</sup>
  - Significantly reduced interest rate risk for 10 years

1. Assuming 3M Euribor at 3.0%





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# P&L 2022

## Statement of Comprehensive Income

	Dec 2022	Dec 2021	Variance
	€000	€000	€000
Revenue	4,153	3,576	577
Other income	67	67	-
<b>Total income</b>	<b>4,220</b>	<b>3,643</b>	<b>577</b>
Net impairment losses on financial assets	(10)	(19)	9
Administrative expenses	(1,471)	(1,545)	74
<b>EBIT</b>	<b>2,739</b>	<b>2,079</b>	<b>660</b>
Finance income	48	6	42
Finance cost	(1,039)	(692)	(347)
Adjustment arising on fair valuation of property	(98)	2,219	(2,317)
<b>Profit before tax</b>	<b>1,650</b>	<b>3,613</b>	<b>(1,963)</b>
Income tax expenses	(1,512)	(967)	(545)
<b>Profit for the year</b>	<b>138</b>	<b>2,646</b>	<b>(2,508)</b>
<b>Earnings per share (in euro)</b>	<b>0.001</b>	<b>0.026</b>	<b>(0.025)</b>

**Total income:** Increase in income was mainly due to additional rental income from the Ta' Xbiex acquisition and from the Zejtun blocks handed over during H2; partially netted off by the income lost from the Marsa Old Exchange which is undergoing a renovation and from the B'Kara Old Exchange which was sold during the year.

**Administration expenses:** Savings in administrative expenses came from various items including professional fees, employee benefit expenses, business development costs, insurance costs, etc.

**Finance costs:** The increase in finance costs was due to additional interest and amortisation costs on the Bond and additional interest on the loan taken for the Ta' Xbiex building.

**Fair value movements:** The in fair value loss is mainly as a result of the Spencer Hill property being renovated as no rental income is being received from the property.

**Income tax:** Lower sales tax in 2022 resulted in a lower current tax while the acquisition of the Ta' Xbiex property resulted in a higher deferred tax.



# Balance Sheet

## Statement of Financial Position

	Dec-22 €000	Dec-21 €000	Variance €000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property	81,840	71,357	10,483
Property, plant and equipment	887	895	(8)
Trade and other receivables	14	201	(187)
Intangible assets	2	-	2
<b>Total non-current assets</b>	<b>82,744</b>	<b>72,453</b>	<b>10,291</b>
<b>Current assets</b>			
Trade and other receivables	1,192	1,250	(58)
Deposits	4,163	271	3,892
Cash and cash equivalents	13,856	11,868	1,988
Current tax asset	170	9	161
<b>Total current assets</b>	<b>19,381</b>	<b>13,398</b>	<b>5,983</b>
Assets classified as held for sale	-	6,962	(6,962)
<b>Total current assets</b>	<b>19,381</b>	<b>20,360</b>	<b>(979)</b>
<b>Total assets</b>	<b>102,125</b>	<b>92,813</b>	<b>9,312</b>

**Investment property:** Increase in investment property mainly relates to the acquired building in Ta' Xbiex and capex on Spencer Hill renovation and Zejtun completion.

**Deposits and cash and cash equivalents:** Increase in cash at bank following B'Kara Old Exchange sale, netted by self-funded additions to IP.

# Balance Sheet (contd.)

**Borrowings:** Increases in borrowings relate to the draw down of the loan for the Ta' Xbiex acquisition MIB loan and the additional funds from the bond.

**Trade and other payables:** Increase in trade and other payables mainly due to: retentions on Zejtun; increase in security deposits on leases; and accrued bond interest.

## Statement of Financial Position - continued

	Dec-22 €000	Dec-21 €000	Variance €000
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	32,419	32,419	-
Other reserve	252	251	1
Retained earnings	22,970	24,048	(1,078)
<b>Total capital and reserves</b>	<b>55,641</b>	<b>56,718</b>	<b>(1,077)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	35,078	21,277	13,801
Deferred tax liabilities	7,701	7,461	240
Trade and other payables	141	123	18
<b>Total non-current liabilities</b>	<b>42,920</b>	<b>28,861</b>	<b>14,059</b>
<b>Current liabilities</b>			
Borrowings	799	5,469	(4,670)
Trade and other payables	2,498	1,639	859
Current tax liabilities	267	125	142
<b>Total current liabilities</b>	<b>3,564</b>	<b>7,233</b>	<b>(3,669)</b>
<b>Total liabilities</b>	<b>46,484</b>	<b>36,095</b>	<b>10,389</b>
<b>Total equity and liabilities</b>	<b>102,125</b>	<b>92,813</b>	<b>9,312</b>

# Balance Sheet

## Company Performance

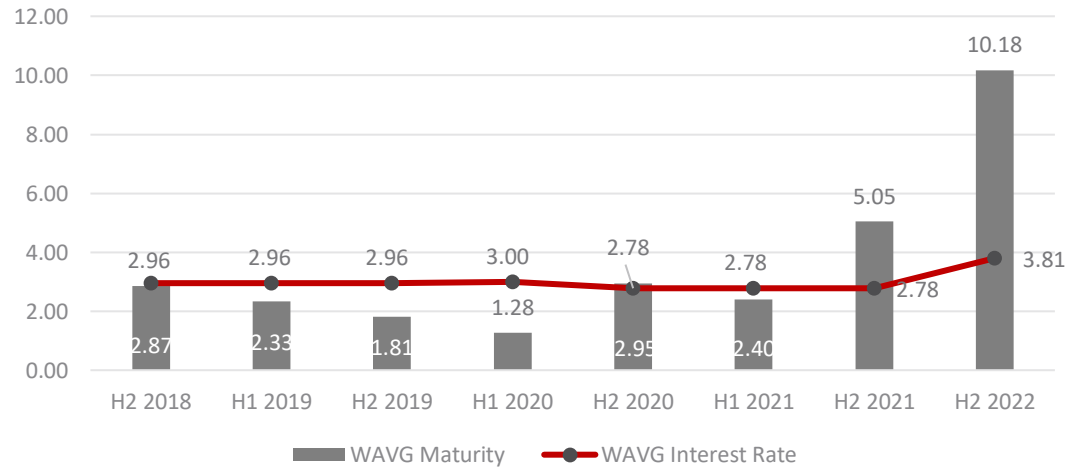
	Dec 2022	Dec 2021
	€000	€000
Total assets	102,125	92,813
Total liabilities	46,484	36,095
<b>NAV at end of year</b>	<b>55,641</b>	<b>56,718</b>
<b>NAV per share</b>	<b>0.550</b>	<b>0.560</b>
<b>Proforma NAV per share (excluding deferred tax)</b>	<b>0.630</b>	<b>0.630</b>
Property value (including PPE, incl PHFS)	82,727	79,119
Net borrowings	17,859	14,607
<b>Loan-To-Value</b>	<b>22%</b>	<b>18%</b>
Equity	55,641	56,718
Net borrowings	17,859	14,607
<b>Gearing Ratio</b>	<b>32%</b>	<b>26%</b>

## Net Asset Value movement:

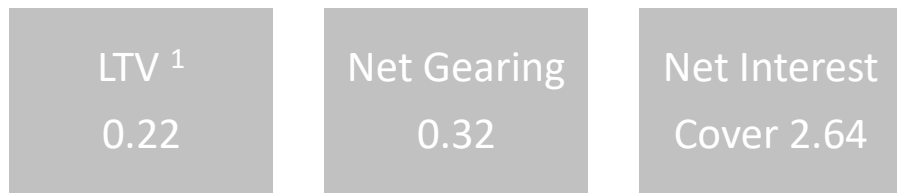
- Deferred tax recognition on the acquisition made during the year leads to a decreased NAV per share
- Excluding deferred tax, which is accounted for as per IFRS requirement on the fair valuation of the property, the NAV per share remained consistent to the prior year

# Debt & Capital Structure

Debt Maturity & Interest Rate

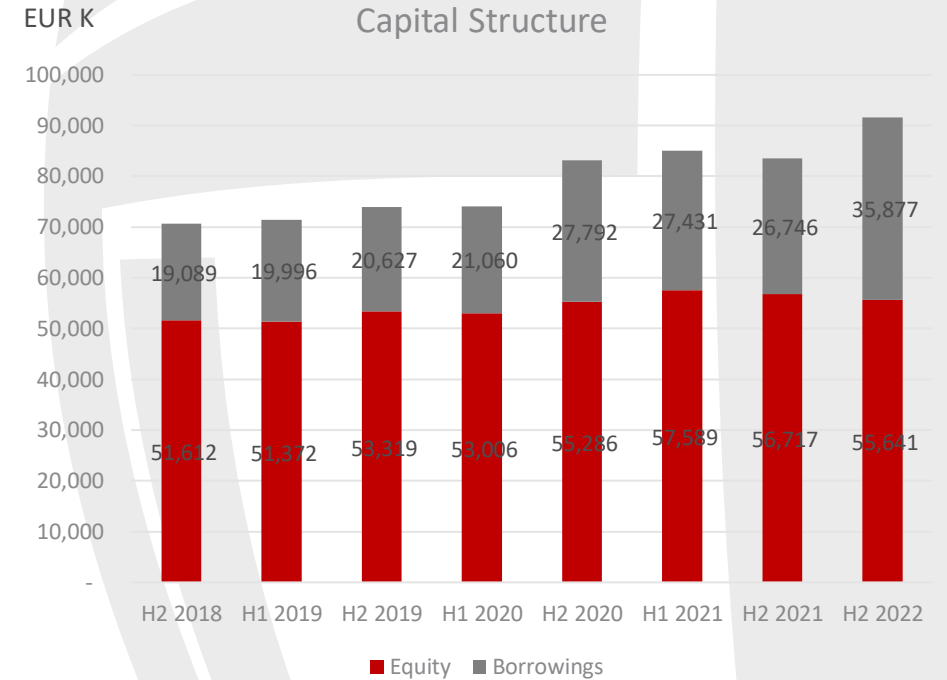


Financing Metrics



1. LTV calculation includes cash

Capital Structure



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# Outlook

- Increased dividend of 1c3 recommended for 2022
- Continued growth in revenues and operating profits expected in 2023
- Broader strategy intact – organic and inorganic growth leading to economies of scale and higher returns
- Prudent in near term given various risks including economic downturn, WFH and higher cost of capital
- Well positioned for the future with robust balance sheet and long-term debt funding at a fixed rate



# Portfolio Overview

Property	Tenant	Lease outstanding (in years)	NIA (sqm)
<b>Industrial Properties</b>			
B'Kara New Exchange	GO p.l.c.	5.81	860
B'Kara epic	epic	6.76	994
Rabat Exchange	GO p.l.c.	1.76	709
Marsa New Exchange	GO p.l.c.	4.71	340
St. Paul's Bay Exchange	GO p.l.c.	3.34	746
Sliema Exchange	GO p.l.c.	2.59	560
Mosta Exchange	GO p.l.c.	1.76	1,678
Zejtun Data Centre	GO p.l.c.	9.73	6,314
Radio Link, Naxxar	GO p.l.c.	1.76	488
			12,689
<b>Offices</b>			
GO Head Office, Marsa	GO p.l.c.	1.76	9,130
Victoria, Gozo	Government of Malta	4.84	291
The Bastions, Floriana	Finco, Planning Authority	1.25	1,431
Spencer Hill, Marsa	Vacant	-	3,960
Swatar Call Centre	HSBC Global Services (UK)	1.08	6,555
MIB, Ta' Xbiex <sup>1</sup>	PSA Insurance, Growth Lead, MIB Brokers	3.41	2,175
Zejtun Offices	GO p.l.c.	9.73	3,359
			26,901
		4.42	39,590

1. Vacant space amounts to c.1200sqm