

JUEL Group Plc

Interim Consolidated Financial Statements (Unaudited)
for the six-month period 1st January 2023 to 30th June 2023

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**DIRECTORS' REPORT
FOR THE PERIOD ENDED 30th JUNE 2023**

Interim Directors' report pursuant to Capital Markets Rule 5.75.2

The published figures for the reporting period have been extracted from the unaudited consolidated financial statements of Juel Group p.l.c. ("the Group") for the six months ended 30 June 2023 and the comparative period in 2022. Comparative balance sheet information as at 31 December 2022 has been extracted from the audited financial statements of the Group for the year ended on that date.

This is being published in terms of Capital Markets Rule 5.74 issued by the Listing Authority and has been prepared in accordance with the applicable Capital Markets Rules and International Accounting Standard 34, 'Interim Financial Reporting'. In terms of Capital Markets Rule 5.75.5, the Directors are stating that this Half-Yearly Financial Report has not been audited by the Group's independent auditors.

Principal Activities

The principal activity of the Company is that of a finance company to raise finance for Group requirements.

As a Group it has subsidiaries involved in three distinct business segments – property development, property rentals and hotel operations (the latter still under development).

Review of Business

Juel Group plc was incorporated on the 24th January 2022 and acquired the entire share capital of its existing subsidiaries on 22nd December 2022. Furthermore, Juel Group plc acquired 33.33% of the Ordinary A shares in GAP Group Investments (II) Ltd on the 14th April 2023. The aforementioned timelines indicate that the 6 month interim period up to 30th June 2023, is the first period reflecting Juel Group plc's consolidated activities and financial results.

During the period under review the Group generated turnover amounting to Eur315,994 mostly from the property rentals operated under the StayMela brand. After deducting direct costs amounting to Eur232,788 and administrative costs of Eur13,672, the Group registered an operating profit prior to finance and share of profit of equity investees of Eur69,534. No income was generated from the other business activities which as explained in the ongoing projects note below are presently in the course of construction. In line with standard accounting practice, the expenses incurred in connection with the projects under construction have been capitalised.

Adding the total other income realised from finance and share of profit of equity investees, the Group ended the interim period with a net profit before tax of Eur2,305,436 and a net profit after tax of Eur2,279,934.

Ongoing Projects

Portoscala – Marsascala

Portoscala is a residential development in Triq Il-Bahhara, Marsascala consisting of 28 residential units, 1 office and 35 lock up garages over 2 basement floors. The excavation is complete and construction is 67% complete as at end of June 2023. The property is expected to be placed on the market in September 2023.

Solea – Marsascala

Solea is in Triq Il-Hut, Marsascala and consists of 25 residential units and 18 lock up garages. The excavation was completed in May 2023 and construction is underway. The project is expected to be completed by Q2-2024.

St Julians Hotel

The property was acquired in September 2022 for development into a Hyatt Centric hotel. Development works are underway with excavation fully completed and construction started in April 2023. The Hotel is expected to be fully finished and ready to go operational by Q4-2024.

Results and dividends

The results for the period are shown in the statement of comprehensive income on page 4.

The Directors do not recommend the payment of a dividend.

Directors and Company Secretary

The current Board consist of the following:

Adrian Muscat - Executive Director

George Muscat - Non Executive Director

Mario Camilleri – Independent non executive Director

Robert Aquilina - Independent non executive Director

Dennis Gravina - Independent non executive Director

Dr Karen Coppini - Company Secretary.

In accordance with the Company's Memorandum and Articles of Association the Directors remain in office.

Bonds in Issue

Pursuant to a Prospectus issued on 6th June 2023, JUEL Group plc issued Eur32,000,000 5.5% Secured Bonds maturing in 2035. The nominal value of the Bond is Eur100 per Bond and was added to listing on the Official List of the Malta Stock Exchange on 4th July 2023.

Principal risks and uncertainty

Although the development works on the hotel and the property development are progressing as forecast and planned, the Group is still subject to a number of financial risk factors including:

Risks relating to rising costs for materials, resources, and utilities.

Risks relating to aversion to travel due to the war in Ukraine.

Risks relating to the loss of senior management and other key personnel.

Risks relating to competing projects.

Risks relating to changes in consumer preferences and demand.

The Group's detailed risks, financial risk management objectives and policies remain consistent with those described in the audited financial statements for the year ended 31st December 2022.

Statement Pursuant to Capital Markets Rule 5.75.3

We confirm that to the best of our knowledge:

- the interim financial statements give a true and fair view of the financial position of Juel Group p.l.c. as at 30th June 2023, and of its financial performance and its cashflows 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), and
- the interim Directors' Report includes a fair review of the information required in terms of Capital Markets Rules 5.81 to 5.84

Approved by the Board of Directors on behalf of the Board hereunder:


George Muscat
Director


Adrian Muscat
Director

Avian Hill,
Triq L-Ispanjulett, C/W Triq Il-Gallina,
Kappara, San Gwann
Malta

Date : 28th August 2023

JUEL Group plc
Consolidated Interim Income Statement and Comprehensive Income
For the Period from 1st January to 30 June 2023

	GROUP		COMPANY	
	2023	2022 FULL YEAR	2023	2022 FULL YEAR
Turnover	315,994	5,404	-	-
Cost of Sales	(232,788)	(2,039)	-	-
Gross Profit	83,206	3,365	-	-
Administrative Expenses	(13,672)	(6,463)	-	(4,775)
Operating Profit/(Loss)	69,534	(3,098)	-	(4,775)
Other Income	-	-	1,660	-
Finance income	7,110	2,177	450,907	321,527
Finance costs	-	(100)	(435,633)	(315,754)
Share of profit of equity-accounted investees net of tax	2,228,791	-	-	-
Profit/(Loss) before taxation	2,305,436	(1,021)	16,934	998
Tax expense	(25,502)	2,247	(5,927)	(349)
Profit for the period	2,279,934	1,226	11,007	649
Total Comprehensive Profit	2,279,934	1,226	11,007	649

JUDEL Group plc
Consolidated Statement of Financial Position
For the Period from 1st January to 30 June 2023

	GROUP		COMPANY	
	2023	2022 FULL YEAR	2023	2022 FULL YEAR
ASSETS				
Non-current assets				
Property, plant and equipment	23,274,573	21,128,541	-	-
Investment in property	10,700,000	10,700,000	-	-
Investment in subsidiaries	-	-	10,948,390	10,948,390
Equity-Accounted Investees	10,146,128	-	7,914,837	-
Other financial assets	-	-	18,582,450	17,591,867
	<u>44,120,701</u>	<u>31,828,541</u>	<u>37,445,677</u>	<u>28,540,257</u>
Current assets				
Deferred Tax Asset	2,347	2,347	-	-
Inventories	7,628,505	6,188,165	-	-
Trade and other receivables	1,009,807	916,610	2,103,154	-
Cash and bank balances	22,874,009	1,163,772	21,719,329	1,900
	<u>31,514,668</u>	<u>8,270,894</u>	<u>23,822,483</u>	<u>1,900</u>
Total Assets	<u>75,635,369</u>	<u>40,099,435</u>	<u>61,268,161</u>	<u>28,542,157</u>
EQUITY AND LIABILITIES				
Capital and reserves				
Issued share capital	19,066,227	10,951,390	19,066,227	10,951,390
Share premium	1,892,355	-	1,892,355	-
Retained Earnings	2,281,160	1,226	11,656	649
Other equity	(17,970)	(17,970)	-	-
	<u>23,221,772</u>	<u>10,934,646</u>	<u>20,970,238</u>	<u>10,952,039</u>
Non-current Liabilities				
Bank loans	8,672,680	6,063,777	-	-
Deferred tax liability	856,000	856,000	-	-
Bond issue	32,000,000	-	32,000,000	-
Total non-current liabilities	<u>41,528,680</u>	<u>6,919,777</u>	<u>32,000,000</u>	<u>-</u>
Current Liabilities				
Bank overdraft and loans	8,240,000	8,000,000	8,000,000	8,000,000
Trade and other payables	2,498,937	4,737,029	291,647	101,926
Other financial liabilities	106,326	-	6,276	349
Taxation due	39,654	20,140	-	-
Bond advance facility	-	9,487,843	-	9,487,843
Total current liabilities	<u>10,884,917</u>	<u>22,245,012</u>	<u>8,297,923</u>	<u>17,590,118</u>
Total liabilities	<u>52,413,597</u>	<u>29,164,789</u>	<u>40,297,923</u>	<u>17,590,118</u>
Total equity and liabilities	<u>75,635,369</u>	<u>40,099,435</u>	<u>61,268,161</u>	<u>28,542,157</u>


George Muscat
Director


Adrian Muscat
Director

Date: 28th August 2023

JUJEL Group plc
Statement of Changes in Equity
For the Period from 1st January to 30 June 2023

Company	Share Capital €	Share Premium €	Profit and Loss €	Total €
Balance at 31st December 2022	10,951,390	-	649	10,952,039
Balance at 1st January 2023	10,951,390	-	649	10,952,039
Comprehensive income				
Issue of share capital	8,114,837	-	-	8,114,837
Issue of share premium		1,892,355		1,892,355
Profit for the year and period	-	-	11,007	11,007
Balance at 30th June 2023	19,066,227	1,892,355	11,656	20,970,238

Group	Share Capital €	Share Premium €	Profit and Loss €	Total €
Balance at 31st December 2022	10,951,390	-	(16,744)	10,934,646
Balance at 1st January 2023	10,951,390	-	(16,744)	10,934,646
Comprehensive income				
Issue of share capital	8,114,837	-	-	8,114,837
Issue of share premium		1,892,355		1,892,355
Profit for the year and period	-	-	2,279,934	2,279,934
Balance at 30th June 2023	19,066,227	1,892,355	2,263,190	23,221,772

JUEL Group plc
Consolidated Statement of Cash Flows
For the Period from 1st January to 30 June 2023

	GROUP		COMPANY	
	2023 €	2022 FULL YEAR €	2023	2022 FULL YEAR
Cash Flow from Operating Activities				
Net Profit / (Loss) before Taxation	2,305,436	(1,021)	16,934	998
Adjustment for:				
Depreciation	18,568	650	-	-
Finance costs	520,138	100	435,633	315,754
Other Income	(74,400)	-	-	-
Equity-Accounted Investees	(2,228,791)	-	-	-
Interest receivable	(450,907)	(2,175)	(450,907)	(321,527)
Operating profit / (loss) before working capital changes	90,044	(2,446)	1,660	(4,775)
Movement in working Capital				
Trade and other receivables	(93,197)	(18,505)	(2,103,154)	(17,591,867)
Inventories	(1,440,340)	-	-	-
Trade and other payables	(2,238,095)	12,376	189,721	101,926
Cash Generated from Operations	(3,681,588)	(8,575)	(1,911,773)	(17,494,716)
Finance costs	(520,138)	(90,562)	(435,633)	(315,754)
Taxation paid	(5,988)	-	-	-
Other income	74,400	-	-	-
NET cash used in operating activities	(4,133,314)	(99,137)	(2,347,407)	(17,810,470)
Cash Flow from Investing Activities				
Interest receivable	450,907	3	450,907	321,527
Payment for fixed assets	(2,164,600)	-	-	-
Impact to cash on acquisition of subsidiaries / associates	2,089,855	1,260,175	2,092,355	-
Net cash (used in) / from investing activities	376,162	1,260,178	2,543,262	321,527
Cash flow from financing activities				
Proceeds from Issue of Share Capital	0	3,000	0	3,000
Proceeds from Bond advance facility	(9,487,843)	9,487,843	(9,487,843)	9,487,843
Proceeds from Bond issue	32,000,000	-	32,000,000	-
Shareholder loan	106,326	315	-	-
Related parties	-	(17,488,427)	(990,583)	-
Other loans	2,848,903	8,000,000	-	8,000,000
Net cash from financing activities	25,467,386	2,731	21,521,574	17,490,843
Movement in cash and cash equivalents	21,710,234	1,163,772	21,717,429	1,900
Cash and cash equivalent at the beginning of the period / year	1,163,775	-	1,900	-
Cash and cash equivalent at the end of the period / year	22,874,009	1,163,772	21,719,329	1,900

NOTES TO THE FINANCIAL STATEMENTS – 30th June 2023

1. Summary of significant accounting policies

The accounting policies adopted in the preparation of the 2023 Group's Half-Yearly Report are the same as those adopted in the preparation of the audited financial statements for the year ended 31 December 2022.

2.1 Basis of preparation

These financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and with the requirements of the Maltese Companies Act, 1995. The financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

Standards, interpretations and amendments to published standards effective in 2023

The Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1st January 2023. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Group's accounting policies.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group and the Company.

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. The Group does not expect that the new standards, interpretations and amendments will have a material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 30th June 2023

2. Summary of significant accounting policies – continued

2.2 Consolidation

Subsidiaries

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group on 22nd December 2022, and are no longer consolidated from the date of disposal. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. The Group financial statements include the financial statements of the parent Company and all its subsidiaries.

In the Company's financial statements investments in subsidiaries are accounted for on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses. Dividends from investments are recognised in the profit or loss.

2.3 Borrowing costs

Borrowing costs directly attributable to the acquisition and construction of property are capitalised as part of the cost of the project and are included in its carrying amount. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare any distinct part of the project for its sale or intended use is completed. Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment or investment property are capitalized as part of its cost. Borrowing costs are capitalized which acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended. All other borrowing costs are recognized as an expense in the profit and loss account in the period as incurred.

2.4 Bank borrowings

Subsequent to initial recognition, interest-bearing bank loans are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial. Bank loans are carried at face value due to their market rate of interest.

Subsequent to initial recognition, interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

2.5 Cash and Bank Balances

In line with the prospectus the net proceeds from the Bond Issue are withheld with the Trustee in order to disburse in a corresponding value contained in an architect's confirmation of value of works. As at 30th June 2023 the amount in the hands of the Trustee amounted to € 21.7 million

NOTES TO THE FINANCIAL STATEMENTS – 30th June 2023

2. Summary of significant accounting policies – continued

2.6 Bond Issue

At the beginning of June 2023 the Company issued a Prospectus for the issue of Eur32,000,000 5.5% Secured Bonds 2035. The Issue was fully subscribed and the interest started accruing as from 27th June 2023. The first interest payment shall be on 27th June 2024. The Bond will be redeemed at par in June 2035.

2.7 Property, plant and equipment

All property, plant and equipment are initially recorded at cost and subsequently stated at cost less depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Property, plant and equipment are stated at cost or valuation less accumulated depreciation. Depreciation is provided for on the straight line method in order to write off cost over the expected useful economic lives of the assets as follows:

	Years
Computer & Office Equip.	4
Motor Vehicles	5
Furniture & Fittings	10

The assets residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount, and are taken into account in determining operating profit.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Land is not depreciated, and the assets relating to the hotel development are also not depreciated since these assets are not in use at the moment. These will start to be depreciated in the year that the hotel will be operational.

NOTES TO THE FINANCIAL STATEMENTS – 30th June 2023

2. Summary of significant accounting policies – continued

2.8 Transactions with related parties

All companies forming part of the JUEL Group plc are considered by the directors to be part of the Group. The Group's related parties include its directors, shareholders, key management personnel, and other companies ultimately owned by the same shareholders.

During the period ended 30th June 2023, the Group entered into transactions with related party undertakings, which arose in the ordinary course of business, and are disclosed below.

	Group 2023	Company 2023	Group 2022	Company 2022
	€	€	€	€
Other financial assets				
Amounts receivable from group- Maturity date 2034	-	18,582,450	-	17,591,867
Trade and other receivables				
Amounts due from shareholders	-	-	773,973	-
Other financial liabilities				
Amount due to shareholders	106,326	-	15,749	315
Amount due to related parties	-	-	2,850,579	5,000

2.9 Post Balance Sheet Event

In July 2023 the € 8 million bridge loan from Bank of Valletta plc was settled in full together with accrued interest from the net Bond proceeds held with the Trustee.