

Juel Group p.l.c.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30th June 2024

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INTERIM DIRECTORS' REPORT PURSUANT TO CAPITAL MARKET RULES 5.75.2**FOR THE PERIOD ENDED 30th JUNE 2024****Interim Directors' Report pursuant to Capital Market Rules 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 30th June 2024 and the comparative period in 2023. Comparative balance sheet information as at 31st December 2023 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

During the period under review the Group generated turnover amounting to Eur270,968 mostly from the property rentals operated under the StayMela brand. After deducting direct cost amounting to Eur144,989 and administrative costs of Eur116,608, the Group registered an operating profit prior to other income, net finance income and share of associate companies of Eur9,372. Eur43,467 was generated from the sale of a property unit. As explained in the "ongoing projects" note below the new property development project in Triq il-Bahhara, Marsascala, is finished whilst the other new property development project in Triq il-Hut, Marsascala is in the course of finishings. Both projects are currently for sale. In line with standard accounting practice, the expenses incurred with the projects under construction have been capitalised.

Adding the income realised from finance and share of results of associated companies, the Group ended the interim period with a net profit before tax of Eur2,732,924 and a net profit after tax of Eur2,700,551.

INTERIM DIRECTORS' REPORT PURSUANT TO CAPITAL MARKET RULES 5.75.2 - CONTINUED

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 project was finished in March 2024 and as at 30th June 2024, 15 units were subject to a POS agreement.

Solea - Marsascala

Solea is in Triq Il-Hut, Marsascala and consists of 25 residential units and 18 lock up garages. The project is expected to be completed by Q4-2024 and sales started in Q3-2024.

St. Julians Hotel

The property was acquired in September 2022 for development into a Hyatt Centric hotel. Construction works are fully complete and finishing works are progressing. The Hyatt Centric hotel is expected to be fully completed and operational by Q4-2024.

Results and Dividends

The results for the period are shown in the condensed consolidated income statement and 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 Chairman
Justin Cutajar - Executive Director - appointed on 8th May 2024
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.

INTERIM DIRECTORS' REPORT PURSUANT TO CAPITAL MARKET RULES 5.75.2 - CONTINUED

Bonds and Notes

Pursuant to a Prospectus issued on 6th June 2023, Juel Group p.l.c issued Eur 32,000,000 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. The Issuer and the Guarantors (namely the subsidiary companies) have entered into a Trust Deed with Equinox International Limited, the Security Trustee, for the benefit and safeguarding of the bondholders.

In Q2-2024, Juel Group p.l.c also successfully raised Eur5,000,000 through a Note Issuance Programme.

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 conflicts and wars.

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 2023.

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 2024, 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:


Adrian Muscat
Executive Chairman


Justin Cutajar
Executive Director

Avian Hill,
Triq L-Ispanjulett c/w/ Triq Il-Gallina,
Kappara, San Gwann, Malta
Date: 28th August 2024

CONDENSED CONSOLIDATED INCOME STATEMENT & STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30th JUNE 2024

	<u>Group</u>	<u>Group</u>	<u>Company</u>	<u>Company</u>
	Jan - June	Jan - June	Jan - June	Jan - June
	2024	2023	2024	2023
	€	€	€	€
Revenue	270,968	315,994	-	-
Cost of Sales	(144,989)	(232,788)	-	-
Gross Profit	125,980	83,206	-	-
Administrative Expenses	(116,608)	(13,672)	(45,131)	-
Operating profit /(loss)	9,372	69,534	(45,131)	-
Other Income	43,467	-	48,000	1,660
Finance income	12,214	7,110	920,197	450,907
Finance costs	(11,679)	-	(918,507)	(435,633)
Share of profit of equity-accounted investees net of tax	2,679,550	2,228,791	2,683,718	-
Profit before taxation	2,732,924	2,305,435	2,688,277	16,934
Income Tax expense	(32,373)	(25,502)	(1,596)	(5,927)
Profit for the Period after Income Tax	2,700,551	2,279,934	2,686,681	11,007
Total Comprehensive Income	2,700,551	2,279,934	2,686,681	11,007
Earnings per share	0.14	0.16	0.14	0.00

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 30th JUNE 2024

	<u>Group</u>	<u>Group</u>	<u>Company</u>	<u>Company</u>
	<u>30-Jun-24</u>	<u>31-Dec-23</u>	<u>30-Jun-24</u>	<u>31-Dec-23</u>
	€	€	€	€
ASSETS				
Non-Current Assets				
Property, plant and equipment	35,442,861	27,158,252	-	-
Investment property	11,800,000	11,800,000	-	-
Investment in subsidiaries	-	-	10,948,390	10,948,390
Equity - Accounted Investees	15,906,065	12,801,515	13,861,956	11,178,238
Other financial assets	-	-	31,693,115	24,408,601
Total Non-Current Assets	<u>63,148,926</u>	<u>51,759,767</u>	<u>56,503,461</u>	<u>46,535,229</u>
Current Assets				
Deferred tax assets	8,565	8,565	6,256	6,256
Inventory	10,686,632	8,858,284	-	-
Trade and other receivables	3,565,142	3,090,435	6,080,488	3,752,422
Other investments	509,916	-	-	-
Cash and cash equivalents	3,874,617	9,288,465	3,200,660	8,551,345
Total Current Assets	<u>18,644,872</u>	<u>21,245,749</u>	<u>9,287,404</u>	<u>12,310,023</u>
Total Assets	<u>81,793,798</u>	<u>73,005,516</u>	<u>65,790,865</u>	<u>58,845,252</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 30th JUNE 2024

	<u>Group</u>	<u>Group</u>	<u>Company</u>	<u>Company</u>
	<u>30-Jun-24</u>	<u>31-Dec-23</u>	<u>30-Jun-24</u>	<u>31-Dec-23</u>
	€	€	€	€
Capital and Reserves				
Share Capital	19,066,227	19,066,227	19,066,227	19,066,227
Share Premium Account	1,892,355	1,892,355	1,892,355	1,892,355
Retained earnings	7,044,324	4,343,773	5,964,038	3,277,357
Other equity	(17,970)	(17,970)	-	-
Total Equity	<u>27,984,936</u>	<u>25,284,385</u>	<u>26,922,620</u>	<u>24,235,939</u>
Non-Current Liabilities				
Loans and borrowings	4,817,647	6,887,875	-	-
Debt securities in issue	37,000,000	32,000,000	37,000,000	32,000,000
Deferred tax liability	944,000	944,000	-	-
Total Non-Current Liabilities	<u>42,761,647</u>	<u>39,831,875</u>	<u>37,000,000</u>	<u>32,000,000</u>
Current Liabilities				
Loans and borrowings	7,417,734	2,827,886	1,644,428	-
Trade and other payables	3,509,342	5,024,565	153,387	2,604,914
Current tax liabilities	120,139	36,805	70,430	4,399
Total Current Liabilities	<u>11,047,214</u>	<u>7,889,256</u>	<u>1,868,245</u>	<u>2,609,313</u>
Total liabilities	<u>53,808,862</u>	<u>47,721,131</u>	<u>38,868,245</u>	<u>34,609,313</u>
Total Equity and Liabilities	<u>81,793,798</u>	<u>73,005,516</u>	<u>65,790,865</u>	<u>58,845,252</u>

The financial information on pages 4 to 6 were approved by the board of directors and were signed on its behalf


Adrian Muscat
 Executive Chairman


Justin Cutajar
 Executive Director

Date: 28th August 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30th JUNE 2024

	Share Capital €	Other Equity €	Share Premium €	Retained Earnings €	Total €
Group					
Balance at 1st January 2023	10,951,390	(17,970)	-	1,226	10,934,646
Comprehensive income for the year					
Profit for the year and period	-	-	-	4,342,547	4,342,547
Transactions with owners					
Increase in share premium	-	-	1,892,355	-	1,892,355
Issue of share capital	8,114,837	-	-	-	8,114,837
Balance at 31st December 2023	<u>19,066,227</u>	<u>(17,970)</u>	<u>1,892,355</u>	<u>4,343,773</u>	<u>25,284,385</u>
Balance at 1st January 2024	19,066,227	(17,970)	1,892,355	4,343,773	25,284,385
Comprehensive income					
Profit for the period	-	-	-	2,700,551	2,700,551
Balance at 30th June 2024	<u>19,066,227</u>	<u>(17,970)</u>	<u>1,892,355</u>	<u>7,044,324</u>	<u>27,984,936</u>
Company					
Balance at 1st January 2023	10,951,390	-	-	649	10,952,039
Comprehensive income for the year					
Profit for the year	-	-	-	3,276,708	3,276,708
Transactions with owners					
Increase in share premium	-	-	1,892,355	-	1,892,355
Issue of share capital	8,114,837	-	-	-	8,114,837
Balance at 31st December 2023	<u>19,066,227</u>	<u>-</u>	<u>1,892,355</u>	<u>3,277,357</u>	<u>24,235,939</u>
Balance at 1st January 2024	19,066,227	-	1,892,355	3,277,357	24,235,939
Comprehensive income					
Profit for the period	-	-	-	2,686,681	2,686,681
Balance at 30th June 2024	<u>19,066,227</u>	<u>-</u>	<u>1,892,355</u>	<u>5,964,038</u>	<u>26,922,620</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30th JUNE 2024

	Group Jan - June 2024 €	Group Jan - June 2023 €	Company Jan - June 2024 €	Company Jan - June 2023 €
Cash flows from operating activities				
Net profit before taxation	2,732,924	2,305,436	2,688,277	16,934
<i>Adjustments for:</i>				
Depreciation	18,014	18,568	-	-
Finance costs	11,679	520,138	918,507	435,633
Other Income	(43,467)	(74,400)	(48,000)	-
Equity- Accounted Investees	(2,679,550)	(2,228,791)	(2,683,718)	-
Interest receivable	(12,214)	(450,907)	(920,197)	(450,907)
Operating (loss)/ profit before working capital changes	27,386	90,044	(45,131)	1,660
Trade and other receivables	(474,707)	(93,197)	(4,664)	(2,103,154)
Inventories	(1,828,348)	(1,440,340)	-	-
Trade and other payables	(1,515,223)	(2,238,095)	(807,099)	189,721
Cash (used in) / from operations	(3,790,892)	(3,681,588)	(856,894)	(1,911,773)
Finance costs	(11,679)	(520,138)	(918,507)	(435,633)
Taxation paid	50,961	(5,988)	64,436	-
Other income	43,467	74,400	48,000	-
<i>Net cash (used in) / from operating activities</i>	(3,708,144)	(4,133,314)	(1,662,965)	(2,347,407)
Cash flows from investing activities				
Interest receivable	12,214	450,907	920,197	450,907
Investment	(509,916)	-	-	-
Payment for fixed assets	(8,302,623)	(2,164,600)	-	-
Impact to cash on acquisition of subsidiaries / associates	(425,000)	2,089,855	-	2,092,355
<i>Net cash (used in) / from investing activities</i>	(9,225,325)	376,162	920,197	2,543,262
Cash flows from financing activities				
Proceeds from Issue of Share Capital	-	(9,487,843)	-	(9,487,843)
Proceeds from Bonds / Notes	5,000,000	32,000,000	5,000,000	32,000,000
Shareholder loan	-	106,326	-	-
Related Parties	-	-	(9,607,917)	(990,583)
Other loans	2,519,621	2,848,903	-	-
<i>Net cash from / (used in) financing activities</i>	7,519,621	25,467,386	(4,607,917)	21,521,574
Movement in cash and cash equivalents	(5,413,848)	21,710,234	(5,350,685)	21,717,429
Cash and cash equivalents at beginning of the year	9,288,465	1,163,775	8,551,345	1,900
Cash and cash equivalents at end of the period	3,874,617	22,874,009	3,200,660	21,719,329

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - 30th JUNE 2024

1. Summary of material accounting policies

The accounting policies adopted in the preparation of the 2024 Group's Half-Yearly Report are the same as those adopted in the preparation of the audited financial statements for the year ended 31st December 2023.

1.1 Basis of preparation

These interim financial statements for the six months ended 30th June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last audited consolidated financial statements as at and for the year ended 31st December 2023 (last annual financial statements). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. 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 2024

The Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1st January 2024. 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - 30th JUNE 2024

1. Summary of material accounting policies - continued

1.1 Basis of preparation - continued

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.

1.2 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 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.

1.3 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.

1.4 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - 30th JUNE 2024

1. Summary of material accounting policies - continued

1.5 Cash and Cash Equivalents

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 2024 the amount in the hands of the Trustee amounted to Eur3,100,000.

1.6 Bond Issue and Note Issuance Programme

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 was paid on 27th June 2024. The Bond will be redeemed at par in June 2035.

In Q2-2024, Juel Group p.l.c. also successfully raised Eur5,000,000 through a Note Issuance Programme.

1.7 Propety, 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - 30th JUNE 2024

1. Summary of material accounting policies - continued

1.7 Property, plant and equipment - continued

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.

1.8 Transactions with related parties

All companies forming part of the Juel Group p.l.c. 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 2024, the Group entered into transactions with related party undertakings, which arose in the ordinary course of business, and are disclosed below.

	<u>Group</u> Jan - June 2024 €	<u>Group</u> 31-Dec-23 €	<u>Company</u> Jan - June 2024 €	<u>Company</u> 31-Dec-23 €
Other financial assets				
Amounts receivable from Juel Hospitality Limited - Maturity date 2035	-	-	31,693,115	24,408,601
Trade and other receivables				
Amounts due from subsidiaries	-	-	4,425,765	2,102,363
Amounts due from related parties	1,869,428	1,644,428	1,644,428	1,644,428
Loans and borrowings				
Amount due to shareholders	26,344	375,289	750	750
Amount due to related parties	1,644,428	1,644,428	1,644,428	1,644,428