



Hili Properties p.l.c.

Interim Financial Report (Unaudited)

For the period 1 January 2024 to 30 June 2024

Contents

| | <i>Page</i> |
|---|-------------|
| Interim Directors' report Pursuant to Capital Market Rules 5.75.2 | 2 - 4 |
| Condensed Statements of Profit or Loss and other Comprehensive Income | 5 |
| Condensed Statement of Financial Position | 6-7 |
| Condensed Statement of Changes in Equity - Group | 8 |
| Condensed Statement of Changes in Equity - Holding Company | 9 |
| Condensed Statement of Cash Flows | 10 |
| Notes to the condensed interim Financial Statements | 11 - 25 |
| Statement Pursuant to Capital Market Rules 5.75.3 issued by the Listing Authority | 26 |



Hili Properties p.l.c.

Interim Directors' Report Pursuant to the Capital Market Rules 5.75.2

For the period ended 30 June 2024

Pursuant to the Capital Market Rules 5.75.2 for period 1 January to 30 June 2024

The directors present their interim report, together with the unaudited interim condensed financial statements of the Company and its subsidiaries (the “group”) (“the condensed interim financial statements”) for the period from 1 January 2024 to 30 June 2024.

Principal activities

The principal activity of the Hili Properties p.l.c. group is to hold and rent immovable property. Hili Properties p.l.c. also acts as a holding company. The details of the subsidiaries of the holding company are listed in note

Business model

Hili Properties is a strategic investor in commercial real estate in Europe’s most thriving cities and up-and-coming locations. In line with its mission to build value and returns through expert, effective asset management, Hili Properties is focused on realizing potential, enhancing tenant the experience and nurturing relationships with communities.

Performance review

The published figures have been extracted from the unaudited management financial statements for the half-year ended 30 June 2024 and its comparative period in 2023.

The Group

During the period under review, the group registered an operating profit of €5,895,300 (June 2023: €5,648,897) on revenues of €7,612,112 (June 2023: €7,602,532).

After accounting for finance costs and investment losses, the group registered a profit before tax of €2,552,661 (June 2023: €2,731,146).

The group’s net assets at the end of the period amounted to €129,173,115 compared to €127,144,950 as of 31 December 2023. The outlook of the operating activity of the Group is expected to remain positive.

Earnings before interest, tax and depreciation (EBITDA) for the period amount to Eur5,932,308 when compared to Eur5,696,434 in the same period in 2023. The higher EBITDA achieved this year is attributable to lower expenses incurred in the properties being managed.



Hili Properties p.l.c.

Interim Directors' Report Pursuant to Capital Market Rules 5.75.2 (continued)

For the period ended 30 June 2024

Performance review (continued)

In February the group disposed of a retail complex in Dzelzavas Street, Riga, Latvia, for seven million Euro (€7,000,000). This sale unlocked the value generated since acquiring this asset.

The company

During the period ended 30 June 2024, the company registered a loss before tax of €836,630 (June 2023: loss of €940,331). The net assets of the company at the end of the period amounted to €98,265,940 compared to €99,197,956 as at 31 December 2023.

Future outlook

The group's role remains to proactively manage the property portfolio. Property acquisitions and divestitures continue to be its focus, aligning with evolving real-estate trends. Looking ahead, the group remains vigilant, conscious of the prevailing economic conditions and the global surge in inflation in the EU, where the group's properties are located. operations are centred. As per the Harmonized Index of Consumer Prices (HICP) inflation is expected to continue exceeding historical averages, impacting consumer and business sentiment.

While navigating these economic dynamics, and fully acknowledging the impact of external factors beyond the company's control, including regulatory shifts, geopolitical developments, and financial market conditions, the group remains cautiously optimistic. It is important to note the potential impact of interest rate fluctuations, a key factor which could affect the group's operations. In addition, management also remain mindful of potential tax implications arising from such changes.

These variables may contribute to fluctuations in the valuation of the property portfolio. It is worth highlighting that despite these macroeconomic considerations, the group holds a robust portfolio of real estate assets that has consistently delivered substantial cashflow. Building upon past accomplishments, including the acquisition of prestigious assets in the preceding year, the team continuous to explore responsible and sustainable portfolio management across Europe.

Post balance sheet events

Following the end of the reporting period, the group successfully acquired the remaining 25% of the issued share capital in Baneasa Real Estate S.R.L., the company which owns and operates the MIRO Office Building in Bucharest, Romania.



Hili Properties p.l.c.

**Interim Directors' Report Pursuant to Capital Market Rules 5.75.2
(continued)**

For the period ended 30 June 2024

Preparation of the Condensed Consolidated Interim Financial Statements

This report is being published in terms of the Listing Rule 5.75.2 of the Capital Market Rules issued by the Listing Authority and has been prepared in accordance with the applicable Capital Market Rules and International Accounting Standard 34 - Interim Financial Reporting. This half-yearly report comprises the reviewed (but not audited) condensed consolidated interim financial statements. The financial statements published in this half-yearly report have been condensed in accordance with the requirements of IAS 34. These 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 statements have been extracted from the audited financial statements for the year ended 31 December 2023 and the management accounts for the period ending 30 June 2024.

Approved by the board of directors and signed on its behalf on the 28th of August 2024 by:

Pier Luca Demajo
Chairman

Georgios Kakouras
Managing Director



Hili Properties p.l.c.

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2024

| | Group | | Holding Company | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 1 Jan - 30 Jun 2024 | 1 Jan - 30 Jun 2023 | 1 Jan - 30 Jun 2024 | 1 Jan - 30 Jun 2023 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| | € | € | € | € |
| Revenue | 7,612,112 | 7,602,532 | 50,006 | 49,998 |
| Cost of Sales | (784,656) | (521,825) | (28,701) | (12,660) |
| Other operating income | 380,299 | 31,867 | - | - |
| Administrative expenses | (1,312,385) | (1,463,677) | (789,193) | (751,150) |
| Operating profit/ (loss) | 5,895,300 | 5,648,897 | (767,888) | (713,812) |
| Net investment losses | (139,190) | - | - | - |
| Finance income | 397,734 | 279,711 | 918,306 | 836,927 |
| Finance costs | (3,601,183) | (3,197,462) | (987,048) | (1,063,447) |
| Profit/(loss) before taxation | 2,552,661 | 2,731,146 | (836,630) | (940,331) |
| Income tax (expense)/credit | (501,014) | (474,278) | (95,386) | (22,603) |
| Profit/(loss) for the period | 2,051,647 | 2,256,868 | (932,016) | (962,934) |
| Other comprehensive income for the period: | | | | |
| Exchange differences on translation of foreign operation | (23,482) | 35,638 | - | - |
| Total comprehensive income/(expense) for the period | 2,028,165 | 2,292,506 | (932,016) | (962,934) |
| Profit attributable to: | | | | |
| Owners of the company | 1,672,093 | 1,975,573 | | |
| Non-controlling interests | 379,554 | 281,295 | | |
| | 2,051,647 | 2,256,868 | | |
| Total comprehensive income attributable to: | | | | |
| Owners of the company | 1,648,611 | 2,011,211 | | |
| Non-controlling interests | 379,554 | 281,295 | | |
| | 2,028,165 | 2,292,506 | | |



Hili Properties p.l.c.

Condensed Statement of Financial Position

As at 30 June 2024

| | <i>Notes</i> | Group | | Holding Company | |
|----------------------------------|--------------|--------------------|--------------------|------------------------|--------------------|
| | | 30 June | 31 December | 30 June | 31 December |
| | | 2024 | 2023 | 2024 | 2023 |
| | | Unaudited | Audited | Unaudited | Audited |
| | | € | € | € | € |
| ASSETS AND LIABILITIES | | | | | |
| Non-current assets | | | | | |
| Intangible assets | | 15,665 | 15,665 | 15,665 | 15,665 |
| Property, plant and equipment | | 105,889 | 120,635 | 990 | 1,414 |
| Investment property | 5 | 229,078,654 | 228,815,823 | 2,525,000 | 2,525,000 |
| Investment in subsidiaries | 6 | - | - | 79,096,407 | 79,096,407 |
| Property held for sale | | 3,700,000 | 3,700,000 | 3,700,000 | 3,700,000 |
| Loans and receivables | | - | 547,413 | 59,290,347 | 43,645,629 |
| Trade and other receivables | 7 | 2,162,679 | 2,332,474 | - | - |
| Derivative Financial Instruments | | 354,468 | 334,991 | - | - |
| Deferred tax assets | | 380,646 | 490,008 | - | - |
| Right-of-use asset | | 315,953 | 333,008 | - | - |
| Restricted cash | | 1,217,078 | 1,217,078 | - | - |
| Total non-current assets | | 237,331,032 | 237,907,095 | 144,628,409 | 128,984,115 |
| Current assets | | | | | |
| Property held for sale | | - | 7 000 000 | - | - |
| Loans and receivables | | 610,996 | 1,043,305 | 551,684 | 18,188,985 |
| Trade and other receivables | 7 | 3,425,777 | 3,150,260 | 207,998 | 427,565 |
| Current tax assets | | 17,941 | 81,509 | - | - |
| Short term investments | | 790,000 | - | - | - |
| Cash and cash equivalents | | 14,744,098 | 6,397,621 | 2,874,505 | 216,953 |
| Total current assets | | 19,588,812 | 17,672,695 | 3,634,187 | 18,833,503 |
| Total assets | | 256,919,844 | 255,579,790 | 148,262,596 | 147,817,618 |



Hili Properties p.l.c.

Condensed Statement of Financial Position (continued)

As at 30 June 2024

| | Notes | Group | | Holding Company | |
|---|-------|--------------------|---------------------|-------------------|---------------------|
| | | 30 June 2024 | 31 December 2023 | 30 June 2024 | 31 December 2023 |
| | | Unaudited | Audited | Unaudited | Audited |
| | | € | € | € | € |
| Current liabilities | | | | | |
| Trade and other payables | 8 | 4,434,413 | 4,194,892 | 1,537,925 | 1,156,174 |
| Other financial liabilities | | 34,211 | 38,470 | - | 3,753,115 |
| Lease liability | | 37,298 | 44,111 | - | - |
| Bank loans | 9 | 4,564,292 | 7,915,801 | - | - |
| Current tax liability | | 569,665 | 546,452 | 256,112 | 175,786 |
| Total current liabilities | | 9,639,879 | 12,739,726 | 1,794,037 | 5,085,075 |
| Non-current liabilities | | | | | |
| Other financial liabilities | | 7,796 | 25,023 | 10,737,648 | 6,107,720 |
| Bank loans | 9 | 73,784,582 | 70,999,196 | - | - |
| Other payables | 8 | 1,124,912 | 1,499,293 | - | - |
| Debt securities in issue | 10 | 36,900,813 | 36,862,709 | 36,900,813 | 36,862,709 |
| Lease liability | | 275,653 | 295,799 | - | - |
| Deferred tax liabilities | | 6,013,094 | 6,013,094 | 564,158 | 564,158 |
| Total non-current liabilities | | 118,106,850 | 115,695,114 | 48,202,619 | 43,534,587 |
| Total liabilities | | 127,746,729 | 128,434,840 | 49,996,656 | 48,619,662 |
| Net assets | | 129,173,115 | 127,144,950 | 98,265,940 | 99,197,956 |
| EQUITY | | | | | |
| Share capital | | 80,178,540 | 80,178,540 | 80,178,540 | 80,178,540 |
| Legal reserve | | 159,535 | 159,535 | - | - |
| Other reserve | | (496,331) | (496,331) | (496,331) | (496,331) |
| Share premium | | 6,973,027 | 6,973,027 | 6,973,027 | 6,973,027 |
| Loss offset reserve | | 748,427 | 748,427 | 748,427 | 748,427 |
| Foreign exchange reserve | | (197,828) | (174,346) | - | - |
| Retained earnings | | 31,877,819 | 30,205,726 | 10,862,277 | 11,794,293 |
| Equity attributable to owners of the company | | 119,243,189 | 117,594,578 | 98,265,940 | 99,197,956 |
| Non-controlling interests | | 9,929,926 | 9,550,372 | - | - |
| Total equity | | 129,173,115 | 127,144,950 | 98,265,940 | 99,197,956 |

Pier Luca Demajo
Chairman

Georgios Kakouras
Managing Director

Hill Properties p.l.c.

Condensed Statement of Changes in Equity

For the period ended 30 June 2024

| Group | Share capital € | Loss offset reserve € | Legal Reserve € | Other reserve € | Share premium € | Currency translation reserve € | Retained earnings € | Attributable to | | Non-controlling interest € | Total € |
|------------------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|-----------------------------------|------------------------|---------------------------|------------------|-------------------------------|------------|
| | | | | | | | | owners of the parent € | | | |
| Balance at 1 January 2023 | 80,178,540 | 748,427 | 173,174 | (496,331) | 6,973,027 | (273,000) | 28,934,623 | 116,238,460 | 8,691,190 | 124,929,650 | |
| Profit for the period | - | - | - | - | - | - | 5,600,744 | 5,600,744 | 826,331 | 6,427,075 | |
| Other comprehensive expense | - | - | - | - | - | 98,654 | - | 98,654 | 32,851 | 131,505 | |
| Dividends Paid | - | - | - | - | - | - | (4,329,641) | (4,329,641) | - | (4,329,641) | |
| Transfer to legal reserve | - | - | (13,639) | - | - | - | - | (13,639) | - | (13,639) | |
| Balance at 31 December 2023 | 80,178,540 | 748,427 | 159,535 | (496,331) | 6,973,027 | (174,346) | 30,205,726 | 117,594,578 | 9,550,372 | 127,144,950 | |
| Other comprehensive expense | - | - | - | - | - | (23,482) | - | (23,482) | - | (23,482) | |
| Profit for the period | - | - | - | - | - | - | 1,672,093 | 1,671,093 | 379,554 | 2,051,647 | |
| Balance at 30 June 2024 | 80,178,540 | 748,427 | 159,535 | (496,331) | 6,973,027 | (197,828) | 31,877,819 | 119,243,189 | 9,929,926 | 129,173,115 | |

Hill Properties p.l.c.

Condensed Statement of Changes in Equity (continued)

For the period ended 30 June 2024

| Holding | Share capital € | Loss offset reserve € | Other reserve € | Share premium € | Accumulated losses € | Total € |
|------------------------------------|--------------------|-----------------------------|-----------------------|-----------------------|----------------------------|-------------------|
| Balance at 1 January 2023 | 80,178,540 | 748,427 | (496,331) | 6,973,027 | 4,442,172 | 91,845,835 |
| Dividends paid | - | - | - | - | (4,329,641) | (4,329,641) |
| Loss for the period | - | - | - | - | 11,681,762 | 11,681,762 |
| Balance at 31 December 2023 | 80,178,540 | 748,427 | (496,331) | 6,973,027 | 11,794,293 | 99,197,956 |
| Loss for the period | - | - | - | - | (932,016) | (932,016) |
| Balance at 30 June 2024 | 80,178,540 | 748,427 | (496,331) | 6,973,027 | 10,862,277 | 98,265,940 |



Hili Properties p.l.c.

Condensed Statement of Cash Flows

For the period ended 30 June 2024

| | Group | | Holding Company | |
|--|--|--|--|--|
| | 1 Jan - 30 Jun 2024 Unaudited € | 1 Jan - 30 Jun 2023 Unaudited € | 1 Jan - 30 Jun 2024 Unaudited € | 1 Jan - 30 Jun 2023 Unaudited € |
| Cash flows from operating activities | | | | |
| Cash flow generated from/ (used in) operations | 5,723,335 | 5,433,458 | (202,062) | (418,497) |
| Interest paid | (3,375,367) | (3,147,969) | - | (172,554) |
| Interest received | 223,029 | 12,216 | - | 12,216 |
| Income tax paid | (245,489) | (233,386) | (15,000) | 206,409 |
| Net cash flows from/ (used in) operating activities | 2,325,508 | 2,064,319 | (217,062) | (372,426) |
| Cash flows from investing activities | | | | |
| Additions to investment property | (262,831) | (534,223) | - | - |
| Security deposits invested | (790,000) | - | - | - |
| Cash passed on during acquisition | (59,988) | - | - | - |
| Proceeds from disposal of investment property | 7,021,143 | - | - | - |
| Net cash flows used in investing activities | 5,908,324 | (534,223) | - | - |
| Cash flows from financing activities | | | | |
| Proceeds from bank loans | 4,500,000 | 1,506,769 | - | - |
| Proceeds from loans from related parties | - | - | 2,874,615 | 3,389,063 |
| Repayment of bank loans | (5,441,686) | (2,257,284) | - | - |
| Proceeds received from parent and related companies | 1,077,813 | - | - | - |
| Transfers to restricted cash | - | 1,126,275 | - | - |
| Net cash flows from financing activities | 136,127 | 375,760 | 2,874,615 | 3,389,063 |
| Net movement in cash and cash equivalents | 8,369,959 | 1,905,856 | 2,657,552 | 3,016,637 |
| Cash and cash equivalents at the beginning of the year | 6,397,621 | 10,982,981 | 216,953 | 2,033,895 |
| Effects of translation from functional currency to presentation currency | (23,482) | - | - | - |
| Cash and cash equivalents at the end of the period | 14,744,098 | 12,888,837 | 2,874,505 | 5,050,532 |



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

1. Basis of preparation

The condensed interim financial statements for the six months ending on 30 June 2024 have been extracted from the unaudited management accounts of the Group and the Company and have been prepared in accordance with IAS 34 - *Interim Financial Reporting*.

Hili Properties p.l.c. is the group's ultimate parent company and is a public limited company incorporated in Malta with registration number C57954. The registered address of the holding company is Nineteen Twenty-Three, Valletta Road, Marsa. As disclosed in note 9, it has bonds issued on the Malta Stock Exchange.

2. Significant accounting policies

The condensed consolidated interim financial statements as at end of 30 June 2024 have been prepared 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 accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's and holding company's annual financial statements for the year ended 31 December 2023, and corresponding interim period.

(i) Other pronouncements

Other accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the group's and holding company's financial results or position.

Standards, amendments, and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

Several new, but not yet effective, standards, amendments to existing standards, and interpretations have been published by the IASB. None of these standards, amendments or Interpretations have been adopted early by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations neither adopted nor listed by the Group have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

3. Judgements and estimates

When preparing the condensed consolidated interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

3. Judgements and estimates (continued)

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the condensed consolidated interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the group's and holding company's annual financial statements for the year ended 31 December 2023.

4. Segmental Reporting

The segment reporting of the group is made in terms of the location which it conducts its business in, as the risks and rates of return are affected predominantly by differences in the services provided in the different locations. The group is currently organised into five main business segments: Malta, Latvia, Estonia, Lithuania and Romania. Each of these operating segments is managed separately as each of these lines requires local resources. All inter segment transfers for management services are carried out on a cost basis.

The accounting policy for identifying segments is based on internal management reporting information that is regularly reviewed by the chief operating decision maker.

Each of these operating segments is managed separately as each of these lines requires local resources. All inter segment transfers for management services are carried out on a cost basis.

Revenue reported below represents revenue generated from external customers. There were no intersegment sales in the period. The group's reportable segments under IFRS 8 are direct sales attributable to each line of business.

Measurement of operating segment profit or loss, assets and liabilities

Segment profit represents the profit earned by each segment after allocation of central administration costs based on services provided. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the reportable segments are the same as the group's accounting policies. Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to consolidated totals are reported below:



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

4. Segmental Reporting (continued)

| | Group | |
|---|--------------------------------------|------------------------------|
| | 1 January to 30 June 2024 | 1 January to 30 June 2023 |
| | Unaudited | Unaudited |
| | € | € |
| Profit before taxation | | |
| Total profit for reportable segments | 5,207,493 | 3,915,112 |
| Elimination of inter segment profits | (1,285,184) | - |
| Unallocated amounts: | | |
| Finance costs | (1,542,874) | (1,262,254) |
| Other unallocated amounts | 173,226 | 78,288 |
| | <u>2,552,661</u> | <u>2,731,146</u> |
| Assets | 30 June 2024 | 31 December 2023 |
| | Unaudited | (Audited) |
| | € | € |
| Total assets for reportable segments | 249,125,416 | 249,405,992 |
| Elimination of inter segment receivables | (65,961,741) | (70,264,947) |
| Unallocated amounts | | |
| Non-current assets held for sale | 3,700,000 | 6,225,000 |
| Other financial assets | 16,653 | 17,080 |
| Loans and receivables | 66,770,163 | 69,368,623 |
| Trade and other receivables | 384,888 | 586,378 |
| Cash and Cash equivalents | 2,884,465 | 241,664 |
| | <u>256,919,844</u> | <u>255,579,790</u> |
| Liabilities | 30 June 2024 | 31 December 2023 |
| | Unaudited | (Audited) |
| | € | € |
| Total liabilities for reportable segments | 138,412,992 | 138,897,126 |
| Elimination of inter segment payments | (94,480,278) | (92,429,104) |
| Unallocated amounts | | |
| Trade and other payables | 1,687,338 | 1,224,176 |
| Other financial assets | 44,398,402 | 43,139,990 |
| Current tax liabilities | 263,304 | 175,785 |
| Debt securities in issue | 36,900,813 | 36,862,709 |
| Deferred tax liabilities | 564,158 | 564,158 |
| | <u>127,746,729</u> | <u>128,434,840</u> |

The Group's revenue and results from continuing operations and information about its net assets by reportable segment are detailed below:

Hill Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

4. Segmental reporting (continued)

| 1 January to 30 June 2024 | Malta | Latvia | Estonia | Lithuania | Romania | Total | Unallocated | Eliminations adjustments | Consolidated |
|----------------------------------|------------|-------------|-----------|------------|-------------|-------------|-------------|--------------------------|--------------|
| Revenue | € 598,810 | € 1,943,140 | € 54,998 | € 869,208 | € 4,095,950 | € 7,562,107 | € 50,006 | - | € 7,612,112 |
| Profit (loss) before tax | 225,429 | 2,170,071 | 43,697 | 258,185 | 2,480,111 | 5,207,493 | (1,369,648) | (1,285,184) | 2,552,661 |
| Depreciation and amortisation | - | (13,576) | - | - | (12,517) | (26,093) | (425) | - | (26,518) |
| Finance cost | (171,777) | (489,400) | - | (314,790) | (1,759,160) | (2,735,127) | (866,056) | - | (3,601,183) |
| Income tax expense | (171,129) | (337) | - | (7,273) | (226,889) | (405,628) | (95,386) | - | (501,014) |
| Segment assets | 63,816,073 | 64,808,004 | 1,664,330 | 31,810,677 | 90,348,615 | 252,447,699 | 76,820,904 | (72,348,759) | 256,919,844 |
| Investment property | 54,347,999 | 45,186,001 | 1,536,693 | 24,300,332 | 103,707,629 | 229,078,654 | - | - | 229,078,654 |
| Additions to investment property | 23,000 | 141,487 | - | - | 98,344 | 262,831 | - | - | 262,831 |
| Segment liabilities | 17,219,015 | 41,117,508 | 323,473 | 29,504,225 | 50,248,771 | 138,412,992 | 83,814,015 | (94,480,278) | 127,746,729 |

Hill Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

4. Segmental reporting (continued)

| 1 January to 30 June 2023 | Malta | Latvia | Estonia | Lithuania | Romania | Total | Unallocated | Eliminations adjustments | Consolidated |
|----------------------------------|------------|------------|-----------|------------|-------------|-------------|-------------|--------------------------|--------------|
| | € | € | € | € | € | € | € | € | € |
| Revenue | 784,025 | 1,964,128 | 54,998 | 846,025 | 3,903,358 | 7,552,534 | 49,998 | - | 7,602,532 |
| Profit (loss) before tax | 634,930 | 857,513 | 50,314 | 313,131 | 2,059,224 | 3,915,112 | (1,183,966) | - | 2,731,146 |
| Depreciation and amortisation | (86) | (31,961) | - | - | (15,050) | (47,097) | (440) | - | (47,537) |
| Finance cost | (245,387) | (995,022) | - | (645,002) | (1,491,272) | (3,376,683) | (1,262,254) | 1,441,475 | (3,197,462) |
| Income tax expense | (262,448) | (526) | - | (6,027) | (182,674) | (451,675) | (22,603) | - | (474,278) |
| Segment assets | 71,812,333 | 74,008,493 | 1,559,454 | 33,055,659 | 89,955,186 | 270,391,125 | 71,009,380 | (82,907,438) | 258,493,067 |
| Investment property | 51,150,000 | 52,706,032 | 1,510,000 | 24,990,000 | 99,951,191 | 230,307,223 | 2,525,000 | - | 232,832,223 |
| Additions to investment property | 141,032 | - | - | - | 393,191 | 534,223 | - | - | 534,223 |
| Segment liabilities | 25,540,873 | 51,597,067 | 326,542 | 30,479,009 | 53,078,952 | 161,022,443 | 75,427,995 | (105,179,526) | 131,270,912 |

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

5. Investment property

| Group | Retail/ commercial properties € | Office properties € | Other properties € | Group total € |
|--|--|------------------------------------|-----------------------------------|------------------------------|
| 1 January 2023 (audited) | 123,709,475 | 82,838,525 | 25,750,000 | 232,298,000 |
| Additions | 451,864 | 608,656 | - | 1,060,520 |
| Increase in fair value | 3,561,619 | 1,791,344 | 250,000 | 5,602,963 |
| Decrease in fair value | (3,145,660) | - | - | (3,145,660) |
| Reclass to held for sale | (7,000,000) | - | - | (7,000,000) |
| At 1 January 2024 (audited) | 117,577,298 | 85,238,525 | 26,000,000 | 228,815,823 |
| Additions | 141,487 | 121,344 | - | 262,831 |
| At 30 June 2024 (unaudited) | 117,718,785 | 85,359,869 | 26,000,000 | 229,078,654 |

| Holding company | Office properties € |
|--|------------------------------------|
| At 1 January 2023 (audited) | 2,525,000 |
| At 1 January 2024 (audited) | 2,525,000 |
| Additions | - |
| At 30 June 2024 (unaudited) | 2,525,000 |

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

5. Investment property (continued)

The fair value of investment properties amounts to €232,832,223 (2022: €232,298,000). The directors are of the opinion that the fair value of the investment properties did not alter significantly from the values reported in December 2023.

6. Investment in subsidiaries

| Holding Company | 30 June 2024 Unaudited € | 31 December 2023 Audited € |
|--------------------------------------|-----------------------------------|-------------------------------------|
| Balance at 31.12.2023/ 30.06.2024 | <u>79,096,407</u> | <u>79,096,407</u> |

7. Trade and other receivables

| | Group | | Holding company | |
|--|-----------------------------------|--|-----------------------------------|--|
| | 30 June 2024 Unaudited € | 31 December 2023 Audited € | 30 June 2024 Unaudited € | 31 December 2023 Audited € |
| Trade receivables | 708,720 | 787,539 | 4,205 | 4,205 |
| Other receivables | 633,545 | 633,152 | - | 111,538 |
| Amounts due from related parties | 164,763 | 321,148 | 28,793 | 70,373 |
| Amounts due from parent | - | 32,617 | 175,000 | 175,000 |
| Prepayments and accrued income | 4,081,428 | 3,708,278 | - | 66,449 |
| Total trade and other receivables | 5,588,456 | 5,482,734 | 207,998 | 427,565 |
| Less: amounts expected to be settled within 12 months | <u>(2,162,679)</u> | <u>(2,332,474)</u> | - | - |
| Amounts expected to be settled after 12 months (shown under non-current assets) | 3,425,777 | 3,150,260 | 207,998 | 427,565 |

No interest is charged on trade and other receivables.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

8. Trade and other payables

| | Group | | Holding company | |
|---|------------------|---------------------|------------------|---------------------|
| | 30 June 2024 | 31 December 2023 | 30 June 2024 | 31 December 2023 |
| | Unaudited € | Audited € | Unaudited € | Audited € |
| Trade payables | 371,382 | 777,907 | 24,108 | 69,686 |
| Other payables | 2,081,830 | 2,278,436 | - | 9,845 |
| Accruals and deferred income | 3,106,113 | 2,637,842 | 1,513,816 | 1,076,643 |
| Total trade and other payables | 5,559,325 | 5,694,185 | 1,537,925 | 1,156,174 |
| Less: amounts expected to be settled within 12 months | (4,434,413) | (4,194,892) | (1,537,925) | (1,156,174) |
| Amounts expected to be settled after 12 months (shown under non-current liabilities) | 1,124,912 | 1,499,293 | - | - |

No interest is charged on trade and other payables.

9. Bank loans

| | Group | | Holding company | |
|--|-----------------|---------------------|-----------------|---------------------|
| | 30 June 2024 | 31 December 2023 | 30 June 2024 | 31 December 2023 |
| | Unaudited € | Audited € | Unaudited € | Audited € |
| Bank loans | 78,348,874 | 78,914,997 | - | - |
| Less: amount due for settlement within 12 months (shown under current liabilities) | (4,564,292) | (7,915,801) | - | - |
| Amount due for settlement after 12 months | 73,784,582 | 70,999,196 | - | - |

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

9. Bank loans (continued)

Bank loans are payable as follows:

| | Group | | Holding company | |
|----------------------------|-----------------------------------|--|-----------------------------------|--|
| | 30 June 2024 Unaudited € | 31 December 2023 Audited € | 30 June 2024 Unaudited € | 31 December 2023 Audited € |
| On demand within one year | 4,564,292 | 7,915,802 | - | - |
| Between one and five years | 55,977,111 | 60,541,403 | - | - |
| After five years | 17,807,471 | 10,457,792 | - | - |
| | 78,348,874 | 78,914,997 | - | - |

The group's bank loans facilities bear effective interest of around 5% p.a.

The facilities are secured by special hypothecs over the investment property of the group, a general hypothec over the assets of the group, guarantees provided by other related party and a pledge over rent receivable from the company's tenants.

10. Debt securities in issue

| | Group and holding company | |
|--------------------------------------|-----------------------------------|-------------------------------------|
| | 30 June 2024 Unaudited € | 31 December 2023 Audited € |
| 4.5% unsecured bonds redeemable 2025 | 36,900,813 | 36,862,709 |

In October 2015, the Company issued 370,000 4.5% unsecured bonds of a nominal value of €100 per bond. The bonds are redeemable at their nominal value in 2025. Interest on the bonds is due and payable annually on 16 October of each year.

The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bond is net of direct issue costs of €766,271 which are being amortised over the life of the bond. The market value of debt securities on the last trading day before the statement of financial position date was €37,074,000 (2022: €37,555,000). The bonds are guaranteed by Harbour (APM) Investments Limited and Hili Estates Limited. The full terms of the guarantee are disclosed in the bond prospectus.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

11. Related party transactions

During the period, the Company and the group entered into transactions with related parties set out below.

| Group | 1 Jan - 30 Jun 2024 | | | 1 Jan - 30 Jun 2023 | | |
|----------------------------------|------------------------|------------------|-----|------------------------|------------------|-----|
| | Related party activity | Total activity | % | Related party activity | Total activity | % |
| | € | € | | € | € | |
| Revenue: | | | | | | |
| Related party transactions with: | | | | | | |
| Parent company | 230,641 | - | | 193,260 | - | |
| Other related parties | 871,088 | - | | 1,014,131 | - | |
| | <u>1,101,729</u> | <u>7,634,398</u> | 14% | <u>1,207,391</u> | <u>7,634,398</u> | 16% |
| Administrative expenses | | | | | | |
| Related party transactions with: | | | | | | |
| Parent company | 700,000 | - | | 700,000 | - | |
| | <u>700,000</u> | <u>1,312,385</u> | 53% | <u>700,000</u> | <u>789,193</u> | 89% |
| Finance income | | | | | | |
| Related party transactions with: | | | | | | |
| Parent company | 16,521 | - | | - | - | |
| Other related parties | 12,250 | - | | 12,216 | - | |
| | <u>28,771</u> | <u>397,734</u> | 7% | <u>12,216</u> | <u>279,711</u> | 4% |

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

11. Related party transactions (continued)

| Holding company | 1 Jan - 30 Jun 2024 | | | 1 Jan - 30 Jun 2023 | | |
|----------------------------------|------------------------|----------------|------|------------------------|------------------|------|
| | Unaudited | | % | Unaudited | | % |
| | Related party activity | Total activity | | Related party activity | Total activity | |
| | € | € | | € | € | |
| Administrative expenses | | | | | | |
| Related party transactions with: | | | | | | |
| Parent company | 700,000 | - | | 700,000 | - | |
| | <u>700,000</u> | <u>789,193</u> | 89% | <u>700,000</u> | <u>751,150</u> | 93% |
| Finance income | | | | | | |
| Related party transactions with: | | | | | | |
| Parent company | 16,521 | - | | - | - | |
| Other related parties | 901,785 | - | | 836,928 | - | |
| | <u>918,306</u> | <u>918,306</u> | 99% | <u>836,928</u> | <u>836,928</u> | 100% |
| Finance cost | | | | | | |
| Related party transactions with: | | | | | | |
| Subsidiaries | 120,992 | - | | 144,380 | - | |
| Other related parties | - | - | | 48,253 | - | |
| | <u>120,992</u> | <u>987,048</u> | 124% | <u>192,633</u> | <u>1,063,447</u> | 81% |

No expense has been recognised in the period for bad or doubtful debts in respect of amounts due by related parties and there are no provisions for doubtful debts in respect of outstanding amounts due by related parties.

12. Fair values of financial assets and financial liabilities

At 30 June 2024 and 31 December 2023, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

12. Fair values of financial assets and financial liabilities (continued)

The fair values of the debt securities in issue are disclosed in Note 9. The fair values of the other non-current financial liabilities and the non-current financial assets are not materially different from their carrying amounts due to the fact that the interest rates are considered to represent market rates at the year end. The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories below have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the company and the group determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

The following table provides an analysis of financial instruments that are not measured subsequent to initial recognition at fair value, other than those with carrying amounts that are reasonable approximations of fair value, and other than investments in subsidiaries, associates and jointly controlled entities, grouped into Levels 1 to 3.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

12. Fair values of financial assets and financial liabilities (continued)

| Group | Level 1 | Level 2 | Level 3 | Total | Carrying |
|--|-------------------|-------------------|------------------|--------------------|--------------------|
| | € | € | € | € | amount |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| 2024 | | | | | |
| Financial assets | | | | | |
| Loans and receivables | - | 547,413 | - | 547,413 | 547,413 |
| - receivables from related parties | - | - | 164,763 | 164,763 | 164,763 |
| - trade and other receivables | - | - | 1,342,265 | 1,342,265 | 1,342,265 |
| As at 30 June 2024 | - | 547,413 | 1,507,028 | 2,054,441 | 2,054,441 |
| Financial liabilities | | | | | |
| Financial liabilities at amortised cost | | | | | |
| - other financial liabilities | - | - | 42,007 | 42,007 | 42,007 |
| - trade and other payables | - | - | 5,559,325 | 5,559,325 | 5,559,325 |
| - bank borrowings | - | 78,348,874 | - | 78,348,874 | 78,348,874 |
| - debt securities | 37,074,000 | - | - | 37,074,000 | 36,900,813 |
| As at 30 June 2024 | 37,074,000 | 78,348,874 | 5,601,332 | 121,024,206 | 120,851,019 |
| | Level1 | Level2 | Level3 | Total | Carrying |
| | € | € | € | € | amount |
| | Audited | Audited | Audited | Audited | Audited |
| 2023 | | | | | |
| Financial assets | | | | | |
| Deposit on the acquisition of investment | - | 1,547,413 | 43,305 | 1,590,718 | 1,590,718 |
| Loans and receivables | - | - | 353,765 | 353,765 | 353,765 |
| - receivables from related parties | - | - | 1,420,691 | 1,420,691 | 1,420,691 |
| - trade and other receivables | - | - | - | - | - |
| As at 31 December 2023 | - | 1,547,413 | 1,817,761 | 3,365,174 | 3,365,174 |

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

12. Fair values of financial assets and financial liabilities (continued)

| | Level 1 | Level 2 | Level 3 | Total | Carrying amount |
|---|------------|------------|-----------|-------------|-----------------|
| | € | € | € | € | € |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| Financial liabilities | | | | | |
| Financial liabilities at amortised cost | | | | | |
| - other financial liabilities | - | - | 63,493 | 63,493 | 63,493 |
| - trade and other payables | - | - | 5,694,185 | 5,694,185 | 5,694,185 |
| - bank borrowings | - | 78,914,997 | - | 78,914,997 | 78,914,997 |
| - debt securities | 36,445,000 | - | - | 36,445,000 | 36,862,709 |
| As at 31 December 2023 | 36,445,000 | 78,914,997 | 5,757,678 | 121,117,675 | 121,535,384 |

| | Level 1 | Level 2 | Level 3 | Total | Carrying amount |
|------------------------------------|-----------|------------|-----------|------------|-----------------|
| | € | € | € | € | € |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| Holding company | | | | | |
| 2024 | | | | | |
| Financial assets | | | | | |
| Loans and receivables | | | | | |
| - receivables from related parties | - | 59,290,347 | 551,684 | 59,842,031 | 59,842,031 |
| - trade and other receivables | - | - | 203,793 | 203,793 | 203,793 |
| | - | - | 4,205 | 4,205 | 4,205 |
| As at 30 June 2024 | - | 59,290,347 | 759,682 | 60,050,029 | 60,050,029 |

| | Level 1 | Level 2 | Level 3 | Total | Carrying amount |
|---|------------|------------|-----------|------------|-----------------|
| | € | € | € | € | € |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| Financial liabilities | | | | | |
| Financial liabilities at amortised cost | | | | | |
| - other financial liabilities | - | 10,737,648 | - | 10,737,648 | 10,737,648 |
| - trade and other payables | - | - | 1,537,925 | 1,537,925 | 1,537,925 |
| - debt securities | 37,074,000 | - | - | 37,074,000 | 36,900,813 |
| As at 30 June 2024 | 37,074,000 | 10,737,648 | 1,537,925 | 49,349,573 | 49,176,386 |

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2024

12. Fair values of financial assets and financial liabilities (continued)

| | Level 1 | Level 2 | Level 3 | Total | Carrying amount |
|--|------------|------------|------------|------------|-----------------|
| | € | € | € | € | € |
| | Audited | Audited | Audited | Audited | Audited |
| 2023 | | | | | |
| Financial assets | | | | | |
| Deposit on the acquisition of investment | | | | | |
| Loans and receivables | - | 43,645,628 | 18,188,986 | 61,834,614 | 61,834,614 |
| - receivables from related parties | - | - | 245,373 | 245,373 | 245,373 |
| - trade and other receivables | - | - | 115,743 | 115,743 | 115,743 |
| As at 31 December 2023 | - | 43,645,628 | 18,550,102 | 62,195,730 | 62,195,730 |
| Financial liabilities | | | | | |
| Financial liabilities at amortised cost | | | | | |
| - other financial liabilities | - | 9,251,457 | 609,378 | 9,860,835 | 9,860,835 |
| - trade and other payables | - | - | 1,156,174 | 1,156,174 | 1,156,174 |
| - debt securities | 36,445,000 | - | - | 36,445,000 | 36,862,709 |
| As at 31 December 2023 | 36,445,000 | 9,251,457 | 1,765,552 | 47,462,009 | 47,879,718 |

Hili Properties p.l.c.


Statement Pursuant to Listing Rule 5.75.3 issued by the Listing Authority

For the period ended 30 June 2024

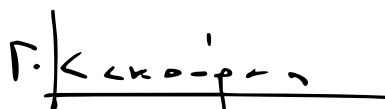
We confirm that to the best of our knowledge:

- a) The condensed interim financial statements give a true and fair view of the financial position of Hili Properties p.l.c. (the “company”) and its subsidiaries (the “group”) As at 30 June 2024, and the financial performance and cash flows of the company and the group for the six month period then ended, which have been prepared 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
- b) The interim Directors’ report includes a fair review of the information required in terms of the Capital Market Rules 5.81 to 5.84.

Approved by the Board of Directors on the 28th August, 2024 and signed on its behalf by:



Pier Luca Demajo
Chairman



Georgios Kakouras
Managing Director