



**COMPANY ANNOUNCEMENT**

**BONNICI BROS. PROPERTIES P.L.C.  
(THE “COMPANY”)**

**Approval of Interim Financial Statements**

<b>Date of Announcement</b>	22 August 2023
<b>Reference</b>	5/2023
<b>Capital Market Rule</b>	CMR 5.16.20

**Quote**

The Board of Directors of the Company has approved the unaudited interim financial statements for the financial period ended 30 June 2023. The said interim financial statements are attached herewith and are also available for viewing on the Company’s website at <https://bbp.com.mt/reports-and-presentation/>

**Unquote**

A handwritten signature in blue ink, appearing to read 'Laragh Cassar'.

**Laragh Cassar**  
Company Secretary

**Reg. No.: MT25598130 / Co. Reg no.: C74286 / Email: [info@bbp.com.mt](mailto:info@bbp.com.mt) / Tel No.: +356 23596000**

**Bonnici House, Sardine Street, Burmarrad, SPB 6073 MALTA**



**Interim Financial Report (Unaudited)**

**For the period ended 30 June 2023**

**Bonnici Bros. Properties p.l.c.**

**Interim Financial Report (Unaudited)**

**Contents**

---

	<b>Page</b>
Condensed Statement of Comprehensive Income	1
Condensed Statement of Financial Position	2 - 3
Condensed Statement of Changes in Equity	4
Condensed Statement of Cash Flows	5 - 6
Notes to the Condensed Interim Financial Statements	7 - 13

## Bonnici Bros. Properties p.l.c.

### Condensed Statement of Comprehensive Income

For the period 1 January 2023 to 30 June 2023

---

	01.01.23 to 30.06.23 Unaudited	01.01.22 to 30.06.22 Unaudited
	€	€
Revenue	476,778	486,695
Direct operating expenses	(16,804)	(1,424)
	-----	-----
<b>Net income</b>	<b>459,974</b>	<b>485,271</b>
Administrative expenses	(107,042)	(99,042)
Finance costs	(214,120)	(74,999)
	-----	-----
<b>Profit before taxation</b>	<b>138,812</b>	<b>311,230</b>
Income tax expense	(89,395)	(147,364)
	-----	-----
<b>Profit for the period - total comprehensive income</b>	<b>49,417</b>	<b>163,866</b>
	=====	=====

The accompanying notes form an integral part of these condensed interim financial statements.

## Bonnici Bros. Properties p.l.c.

### Condensed Statement of Financial Position

As at 30 June 2023

---

		30.06.23	31.12.22
		Unaudited	Audited
	Note	€	€
<b>ASSETS</b>			
Property and equipment	6	2,194,019	2,194,199
Investment property	7	31,416,996	29,403,135
		-----	-----
<b>Total non-current assets</b>		<b>33,611,015</b>	<b>31,597,334</b>
		-----	-----
Trade and other receivables		2,881,030	198,776
Prepayments		10,151	14,039
Contract assets		15,417	42,938
Cash and cash equivalents		417,557	18,436
		-----	-----
<b>Total current assets</b>		<b>3,324,155</b>	<b>274,189</b>
		-----	-----
<b>TOTAL ASSETS</b>		<b>36,935,170</b>	<b>31,871,523</b>
		=====	=====

The accompanying notes form an integral part of these condensed interim financial statements.

# Bonnici Bros. Properties p.l.c.


## Condensed Statement of Financial Position (continued)

As at 30 June 2023

		30.06.23	31.12.22
		Unaudited	Audited
	Note	€	€
<b>EQUITY AND LIABILITIES</b>			
Share capital		5,000,000	5,000,000
Capital contribution reserve		6,619,875	6,619,875
Retained earnings		5,489,364	5,439,947
		-----	-----
<b>Total equity</b>		<b>17,109,239</b>	<b>17,059,822</b>
		-----	-----
Borrowings	8	12,729,919	2,558,145
Trade and other payables		37,450	36,250
Deferred tax liabilities		2,662,720	2,662,720
		-----	-----
<b>Total non-current liabilities</b>		<b>15,430,089</b>	<b>5,257,115</b>
		-----	-----
Borrowings	8	-	1,418,730
Trade and other payables		4,191,863	7,980,634
Contract liabilities		615	2,833
Current tax liabilities		203,364	152,389
		-----	-----
<b>Total current liabilities</b>		<b>4,395,842</b>	<b>9,554,586</b>
		-----	-----
<b>Total liabilities</b>		<b>19,825,931</b>	<b>14,811,701</b>
		-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36,935,170</b>	<b>31,871,523</b>
		=====	=====

The accompanying notes form an integral part of these condensed interim financial statements.

These condensed interim financial statements on pages 1 to 13 were approved by the Board of Directors on 21 August 2023 and signed on its behalf by:

  
Gilbert Bonnici  
Director

  
David Bonnici  
Director

## Bonnici Bros. Properties p.l.c.

### Condensed Statement of Changes in Equity

For the period 1 January 2023 to 30 June 2023

---

	Share capital	Capital contribution reserve	Retained earnings	Total
	€	€	€	€
As at 1 January 2022	1,200	10,835,535	5,214,362	16,051,097
	-----	-----	-----	-----
Issue of share capital	48,800	(48,800)	-	-
	-----	-----	-----	-----
Transactions with owners	48,800	(48,800)	-	-
	-----	-----	-----	-----
Profit for the period	-	-	163,866	163,866
	-----	-----	-----	-----
Total comprehensive income for the period	-	-	163,866	163,866
	-----	-----	-----	-----
As at 30 June 2022	50,000	10,786,735	5,378,228	16,214,963
	=====	=====	=====	=====
As at 1 January 2023	5,000,000	6,619,875	5,439,947	17,059,822
	-----	-----	-----	-----
Profit for the period	-	-	49,417	49,417
	-----	-----	-----	-----
Total comprehensive income for the period	-	-	49,417	49,417
	-----	-----	-----	-----
As at 30 June 2023	5,000,000	6,619,875	5,489,364	17,109,239
	=====	=====	=====	=====

The accompanying notes form an integral part of these condensed interim financial statements.

## Bonnici Bros. Properties p.l.c.

### Condensed Statement of Cash Flows

For the period 1 January 2023 to 30 June 2023

---

	01.01.23 to 30.06.23 Unaudited €	01.01.22 to 30.06.22 Unaudited €
<b>Cash flows from operating activities</b>		
Profit for the period	49,417	163,866
Adjustments for:		
Income tax expense	89,395	147,364
Finance costs	214,120	74,999
Depreciation	180	179
	-----	-----
	353,112	386,408
Net changes in working capital:		
Increase in trade and other receivables	(784,515)	(224,246)
Decrease in contract assets	27,521	-
(Decrease)/Increase in trade and other payables	(206,103)	114,527
Decrease in contract liabilities	(2,218)	(11,727)
	-----	-----
Cash (absorbed by)/generated from operating activities	(612,203)	264,962
Tax paid	(38,420)	(22,972)
	-----	-----
<b>Net cash (used in)/from operating activities</b>	<b>(650,623)</b>	<b>241,990</b>
	-----	-----
<b>Cash flows from investing activities</b>		
Purchase of investment property	(7,783,450)	(1,303,863)
	-----	-----
<b>Cash used in investing activities</b>	<b>(7,783,450)</b>	<b>(1,303,863)</b>
	-----	-----
Balance carried forward	(8,434,073)	(1,061,873)
	-----	-----

The accompanying notes form an integral part of these condensed interim financial statements.



**Bonnici Bros. Properties p.l.c.****Condensed Statement of Cash Flows (continued)**

For the period 1 January 2023 to 30 June 2023

---

	01.01.23 to 30.06.23 Unaudited  €	01.01.22 to 30.06.22 Unaudited  €
Balance brought forward	(8,434,073)	(1,061,873)
	-----	-----
<b>Cash flows from financing activities</b>		
Proceeds from bond issue	12,000,000	-
Proceeds from bank loans	-	1,200,000
Repayment of bank loans (inclusive of interest)	(2,986,224)	(94,090)
Payment of bank loans processing fees	-	(9,309)
Payment of bond related expenses	(180,582)	-
	-----	-----
<b>Net cash from financing activities</b>	<b>8,833,194</b>	<b>1,096,601</b>
	-----	-----
<b>Net change in cash and cash equivalents</b>	<b>399,121</b>	<b>34,728</b>
Cash and cash equivalents at beginning of period	18,436	10,242
	-----	-----
<b>Cash and cash equivalents at end of period</b>	<b>417,557</b>	<b>44,970</b>
	=====	=====

The accompanying notes form an integral part of these condensed interim financial statements.

# **Bonnici Bros. Properties p.l.c.**

## **Notes to the Condensed Interim Financial Statements**

**For the period 1 January 2023 to 30 June 2023**

---

### **1 Reporting entity**

Bonnici Bros. Properties p.l.c. (the “Company”) is a public limited liability company domiciled and incorporated in Malta under the Companies Act, 1995 (Chapter 386, Laws of Malta), whose registered address is situated at ‘Bonnici House’, Sardine Street, Burmarrad, St. Paul’s Bay, SPB 6073, Malta.

By a shareholders’ extraordinary resolution dated 23 November 2022, the Company was converted from a private limited liability company to a public limited liability company.

The effective date of the conversion was registered with the Malta Business Registry on 5 January 2023.

The Company principally invests in immovable property to earn rental and other income therefrom in the short and the long term.

### **2 Significant events and transactions**

On 30 January 2023, the Malta Financial Service Authority approved a €16,000,000 5.25% unsecured bond issuance programme of the Company with a period to maturity of 10 years. On 10 February 2023, the Company issued Tranche 1 of this programme which consisted of €12,000,000 5.25% unsecured bonds maturing in 2033 to finance its property expansion programme. These bonds were taken up by the public by 10 March 2023.

On 3 April 2023, the Company was listed on the Malta Stock Exchange.

During the six-month period ended 30 June 2023 (the ‘reporting date’), the Company:

- settled in full its bank loans and a portion of its current trade and other payables.
- acquired a property in Floriana with a Class 2C licence to be used as an educational building.
- leased its property in Floriana as well as one of the apartments in B’Kara.

### **3 Basis of preparation**

The condensed interim financial statements for the six-month period ended 30 June 2023 have been extracted from the unaudited management accounts of the Company and have been prepared in accordance with IAS 34 - *Interim Financial Reporting*, as adopted by the EU (“IAS 34”).

## **Bonnici Bros. Properties p.l.c.**

### **Notes to the Condensed Interim Financial Statements**

**For the period 1 January 2023 to 30 June 2023**

---

#### **3 Basis of preparation (continued)**

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2022, and corresponding interim period.

These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2022.

As required by IAS 34, these condensed interim financial statements include the comparative statement of financial position as of 31 December 2022, and the comparative statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 1 January 2022 to 30 June 2022.

#### **4 New Standards or Amendments adopted as at 1 January 2023**

Some accounting pronouncements which have become effective from 1 January 2023 and have therefore been adopted do not have a significant impact on the Company's financial results or position.

#### **5 Judgements and estimates**

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The judgements, estimates and assumptions applied in the condensed interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's annual financial statements for the year ended 31 December 2022.

#### **6 Property and equipment**

Property and equipment include the cost of the Company's quarries amounting to €2,193,391. No depreciation was recognised in profit or loss during the period on the Company's quarries given that the landfilling activity did not commence as at the reporting date.

## Bonnici Bros. Properties p.l.c.

### Notes to the Condensed Interim Financial Statements

For the period 1 January 2023 to 30 June 2023

#### 6 Property and equipment (continued)

The Company's quarries at a carrying amount of €1,405,721 is securing bank facilities granted to related parties (Note 9).

#### 7 Investment property

	€
Balance as at 1 January 2022 (audited)	25,962,408
Additions	3,451,135
Disposals	(10,408)
	-----
As at 31 December 2022 (audited)	29,403,135
Additions	2,013,861
	-----
<b>As at 30 June 2023 (unaudited)</b>	<b>31,416,996</b>
	=====

The additions to investment property during the six-month period ended 30 June 2023 include the acquisition of a property in Floriana with a Class 2C licence to be used as an educational building.

The carrying amount of investment property amounting to €24,984,873 is securing bank facilities granted to related parties (Note 9).

#### 8 Borrowings

	30.06.23	31.12.22
	Unaudited	Audited
	€	€
Unsecured 5.25% bond issue 2033	11,688,781	-
Loans due to shareholders	1,041,138	1,023,232
Bank loans	-	1,534,913
	-----	-----
<b>Non-current liabilities</b>	<b>12,729,919</b>	<b>2,558,145</b>
	-----	-----

## Bonnici Bros. Properties p.l.c.

### Notes to the Condensed Interim Financial Statements

For the period 1 January 2023 to 30 June 2023

#### 8 Borrowings (continued)

	30.06.23 Unaudited	31.12.22 Audited
	€	€
Bank loans	-	1,418,730
	-----	-----
Current liabilities	-	1,418,730
	-----	-----
<b>Total borrowings</b>	<b>12,729,919</b>	<b>3,976,875</b>
	=====	=====

The Company's bank loan facilities existing at 31 December 2021 bore an effective interest rate ranging from 3.75% to 3.86% per annum. These facilities were settled in full through the proceeds of Tranche 1 of the unsecured 5.25% bond issue 2033 which was listed on the Malta Stock Exchange on 3 April 2023.

The unsecured debt in issue by the Company is stated net of attributable costs, bears an effective interest rate of 5.6% per annum and matures on 3 April 2033.

#### 9 Related party transactions

During the period, the Company entered into transactions with related parties as set out below:

	01.01.23 to 30.06.23 Unaudited	01.01.22 to 30.06.22 Unaudited
	€	€
<b>Revenue</b>		
Rental income	129,568	215,426
Security fee income	247,376	236,020
<b>Direct operating expenses</b>		
Recharge of expenses	417	1,424

## Bonnici Bros. Properties p.l.c.

### Notes to the Condensed Interim Financial Statements

For the period 1 January 2023 to 30 June 2023

---

#### 9 Related party transactions (continued)

	01.01.23 to 30.06.23 Unaudited	01.01.22 to 30.06.22 Unaudited
	€	€
<b>Administrative expenses</b>		
Recharge of expenses	3,617	1,816
<b>Finance costs</b>		
Interest expense on shareholders' loans	17,906	15,370
Interest expense charged by related party	16,699	36,119

No impairment loss in relation to balances due by related parties has been recognised in profit or loss during the reporting period and exist as at the reporting date.

The carrying amount of the Company's properties amounting to €26,390,594 (2022: €26,143,292) are provided as security against bank facilities granted to related parties.

#### 10 Contingent liabilities

The special hypothecs securing bank facilities granted to related parties (Note 9) are contingent since they will only be enforced if the principal debtor fails to honour its commitments to the banks.

The maximum amount that can be settled by the Company if the special hypothecary guarantee is called upon by the bankers as at the reporting date amounts to €25,200,638 (2022: €28,082,427).

#### 11 Fair value measurement

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.



# Bonnici Bros. Properties p.l.c.

## Notes to the Condensed Interim Financial Statements

For the period 1 January 2023 to 30 June 2023

### 11 Fair value measurement (continued)

The Company measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Valuation techniques based on observable input, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data; and
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes input not based on observable data and unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

#### *Non-financial instruments*

The fair value of the Company's investment property (Note 7) has been determined by an accredited external independent architect based on level 3 inputs.

These level 3 inputs include future rental value, anticipated property costs, future development costs and an appropriate discount rate.

#### *Financial instruments*

	Level 1	Level 2	Level 3	Carrying amount
	€	€	€	€
<i>Financial assets</i>				
Trade and other receivables	-	2,881,030	-	2,881,030
Contract assets	-	15,417	-	15,417
Cash and cash equivalents	-	417,557	-	417,557
	-----	-----	-----	-----
<b>At 30 June 2023 (unaudited)</b>	-	3,314,004	-	3,314,004
	=====	=====	=====	=====

## Bonnici Bros. Properties p.l.c.

### Notes to the Condensed Interim Financial Statements

For the period 1 January 2023 to 30 June 2023

#### 11 Fair value measurement (continued)

##### *Financial instruments (continued)*

	Level 1	Level 2	Level 3	Carrying amount
	€	€	€	€
<i>Financial liabilities</i>				
Borrowings	-	12,120,000	445,010	12,729,919
Trade and other payables	-	4,229,313	-	4,229,313
Contract liabilities	-	615	-	615
	-----	-----	-----	-----
<b>At 30 June 2023 (unaudited)</b>	-	16,349,928	445,010	16,959,847
	=====	=====	=====	=====
<i>Financial assets</i>				
Trade and other receivables	-	198,776	-	198,776
Contract assets	-	42,938	-	42,938
Cash and cash equivalents	-	18,436	-	18,436
	-----	-----	-----	-----
<b>At 31 December 2022 (audited)</b>	-	260,150	-	260,150
	=====	=====	=====	=====
<i>Financial liabilities</i>				
Borrowings		2,953,643	423,819	3,976,875
Trade and other payables		8,016,884	-	8,016,884
Contract liabilities	-	2,833	-	2,833
	-----	-----	-----	-----
<b>At 31 December 2022 (audited)</b>	-	10,973,360	423,819	11,996,592
	=====	=====	=====	=====