



COMPANY ANNOUNCEMENT

The following is a company announcement issued by AX Investments p.l.c. pursuant to Malta Financial Services Authority Listing Rule 5.16.3:

The Board of Directors of AX Investments p.l.c. has approved the Company's half-yearly financial report as at 30th April 2020.

The said financial statements are available on the AX Investments p.l.c. website (<https://axinvestmentsplc.com/financial-statements/>) and on the AX Group website (<https://axgroup.mt/investment/>).

A handwritten signature in blue ink, consisting of a stylized 'I' and 'V' followed by a long horizontal stroke.

Dr Ian Vella Galea
Company Secretary

4th June 2020

Company Announcement AXI210

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Company Reg. No.: C27586



AX Investments p.l.c.
C 27586

Half-yearly Financial Report

30 April 2020

Subsidiary of

AX
GROUP

AX Group's Mission Statement

"We strive to leverage our entrepreneurial skills to deliver high quality innovative developments. This is achieved by inspiring our people to learn from our past, and to embrace the future with courage and optimism."



Contents

| | |
|---|---|
| Interim Director's Report | 1 |
| Condensed Income Statement | 2 |
| Condensed Statement of financial position | 3 |
| Condensed Statement of changes in equity | 4 |
| Condensed statement of cash flows | 5 |
| Notes to the condensed financial statements | 6 |
| Directors' statement on condensed financial statements | 7 |

Interim Director's Report

Interim financial statements 30 April 2020

Principal activities

The company's principal activity is to act as a finance and investment company, in particular the financing or re-financing of the funding requirements of related companies.

Performance review

Rental income from the lease of Palazzo Capua to a related party remained constant in line with the comparative period. Administrative expenses were EUR 71,786 lower than same period last year. This significant reduction is primarily attributable to the implementation of IFRS9 during the comparative period, wherein, the company recognised an impairment provision of EUR66,322. The company generated a surplus of EUR301,306 (2019: EUR 243,465) on interest charged on loans to related parties net of finance costs. The share of profit from the results of the associate undertaking amounted to EUR 174,903. (2019: EUR 276,707)

Profit before taxation for the six months under review, amounted to EUR 330,425 (2019: EUR 292,883).

As announced earlier this year the company and its' guarantor, AX Holdings Limited (C 3595), have been carefully assessing and monitoring the development of the COVID19 pandemic and have implemented a number of measures

across the AX Group to mitigate the impacts from the pandemic.

Given the uncertainty and the ongoing developments, the Directors are of the opinion that it is premature to reassess the fair value of the company's underlying assets. In this regard, the interim financial statements do not reflect any potential impairment losses arising from the COVID19 pandemic. It is expected that a full assessment will be carried out in the audited financial statements when the company will have better visibility of the situation.

Notwithstanding, the Directors expect that the activities of the company will remain consistent for the foreseeable future.

By order of the Board.

4th June 2020

Condensed Income Statement

Six months ended 30 April 2020

| | 30 April 2020 (unaudited) | 30 April 2019 (unaudited) |
|--------------------------------|------------------------------|------------------------------|
| | € | € |
| Operating Income | 119,180 | 119,180 |
| Administrative Expense | (90,061) | (161,847) |
| Operating profit/(loss) | 29,119 | (42,667) |
| Interest Income | 1,501,306 | 1,443,465 |
| Share of result of associate | 174,903 | 276,707 |
| | 1,676,209 | 1,677,505 |
| Finance Cost | (1,200,000) | (1,200,000) |
| Profit before tax | 505,328 | 477,505 |
| Income tax expense | (174,903) | (184,622) |
| Profit for the Period | 330,425 | 292,883 |
| Earnings per share | 0.07 | 0.06 |

Condensed Statement of financial position

As at 30 April 2020

| | 30 April 2020 (unaudited) | 31 October 2019 (audited) |
|---------------------------------------|------------------------------|------------------------------|
| | € | € |
| ASSETS | | |
| Property, plant & equipment | 6,260 | 10,286 |
| Investment property | 9,025,157 | 9,025,157 |
| Loans and advances to group companies | 41,650,186 | 42,473,668 |
| Investment in group company | 14,547,950 | 14,373,047 |
| Cash and cash equivalents | 269,605 | 3,920 |
| Other receivables | 23,517 | 0 |
| Total Assets | 65,522,675 | 65,886,078 |
| EQUITY AND LIABILITIES | | |
| Called up issued share capital | 5,000,000 | 5,000,000 |
| Retained earnings | 13,749,494 | 13,415,313 |
| Revaluation reserve | 848,080 | 848,080 |
| Total Equity | 19,597,574 | 19,263,393 |
| Deferred tax liabilities | 5,081,969 | 5,022,162 |
| Debt in issue | 39,758,027 | 39,726,948 |
| Trade and other payables | 1,085,105 | 1,873,575 |
| Total Liabilities | 45,925,101 | 46,622,685 |
| Total Equity and Liabilities | 65,522,675 | 65,886,078 |

Condensed Statement of changes in equity

Period ended 30 April 2020

| | Share capital | Profit and loss account | Revaluation reserve | Total |
|--|------------------|----------------------------|------------------------|-------------------|
| | € | € | € | € |
| <u>Period ended 30 April 2019</u> | | | | |
| <i>Balance at 1 November 2018</i> | 5,000,000 | 12,814,716 | 848,080 | 18,662,796 |
| Profit for the period | - | 292,883 | - | 292,883 |
| Balance at 30 April 2019 | 5,000,000 | 13,107,599 | 848,080 | 18,955,679 |
| <u>Period ended 30 April 2020</u> | | | | |
| <i>Balance at 1 November 2019</i> | 5,000,000 | 13,415,313 | 848,080 | 19,263,393 |
| Profit for the period | - | 330,425 | - | 330,425 |
| Balance at 30 April 2020 | 5,000,000 | 13,745,738 | 848,080 | 19,593,818 |

Condensed statement of cash flows

Period ended 30 April 2020

| | 30 April 2020 (unaudited) | 30 April 2019 (unaudited) |
|---|------------------------------|------------------------------|
| | € | € |
| Net cash flows used in operating activities | (557,797) | (642,334) |
| Net cash flows used in investing activities | - | (4,248) |
| Net cash flows from financing activities | 823,482 | 606,728 |
| Net movement in cash and cash equivalents | 265,685 | (39,854) |
| Cash and cash equivalents at the beginning of period | 3,920 | 52,941 |
| Cash and cash equivalents at the end of period | 269,605 | 13,087 |

Notes to the condensed financial statements

30 April 2020

1. **Basis of preparation**

These condensed financial statements have been prepared in accordance with International Accounting Standard 34 and in terms of the Malta Financial Services Authority Listing Rules 5.81 to 5.84.

The financial information has been extracted from the company's unaudited interim financial statements for the six month period ended 30 April 2020. The comparative amounts reflect the position of the company as included in the audited financial statements for the 12 month period ended 31 October 2019 and the results for the period ended 30 April 2019.

2. The preparation of these financial statements is consistent with the accounting policies used in the preparation of the October 2019 audited financial statements.

Directors' statement on condensed financial statements

30 April 2020

We confirm that, to the best of our knowledge, the condensed set of financial statements attached herewith, which have been prepared in accordance with IAS 34 Interim Financial Reporting gives a true and fair view of the assets, liabilities, financial position and profit of AX Investments plc and that the interim directors' report includes a fair review of the information required in terms of Listing Rule 5.75.3.

The half-yearly report has not been audited or reviewed by the company's auditors.

Signed by:



Angelo Xuereb
Director



Michael Warrington
Director