



JD Capital plc
HMF 303/304,
Hal Far Industrial Estate,
Buzzebbug, BBG 3000
Malta

Date: 26th August 2021

Reference: 39/2021

COMPANY ANNOUNCEMENT

PUBLICATION OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30TH JUNE 2021

The following is a company announcement issued by JD Capital plc (the "Company"), having company registration number C 82098, issued in terms of the Prospectus Rules, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange ("Prospectus MTF").

QUOTE

The Board of Directors of the Company announces that it met on 26th August 2021 and considered and approved the Company's Unaudited Interim Consolidated Financial Statements for the six-month period ended 30th June 2021. The latter are reproduced below and are also available for viewing on the Company's website:

<https://www.jsdimech.com/investor-relations/>

UNQUOTE

By order of the board

Dr. Jesmond Manicaro
Company Secretary



JD CAPITAL PLC

**Condensed Interim Consolidated Financial Statements
(Unaudited)**

for the six months period ended 30 June 2021

Company registration No.: C 82098



JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2021

CONTENTS

	<u>Page</u>
General information	2
Interim Directors' report	3 - 4
Directors' statement	5
Condensed consolidated statement of comprehensive income	6
Condensed consolidated statement of financial position	7
Condensed consolidated statement of changes in equity	8
Condensed consolidated statement of cash flows	9
Notes to the condensed interim consolidated financial statements	10 - 13



Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2021

GENERAL INFORMATION

Registration

JD Capital PLC is registered in Malta as a public limited liability company under the Companies Act (Cap 386). The company's registration number is C 82098.

Directors

Josef Dimech
Stanley Portelli
Gaetano Vella
Stephen Muscat

Company secretary

Jesmond Manicaro

Registered office

HHF 303 Industrial Estate
Hal far
Birzebbugia BBG 3000
Malta

Bankers

Bank of Valletta p.l.c.
58, Zachary Street
Valletta VLT 1130
Malta

Izola Bank p.l.c
53/58 East Street
Valletta VLT 1251
Malta

Auditors

RSM Malta
Mdina Road
Zebbug ZBG 9015
Malta



JD CAPITAL PLC


Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2021

INTERIM DIRECTORS' REPORT - continued

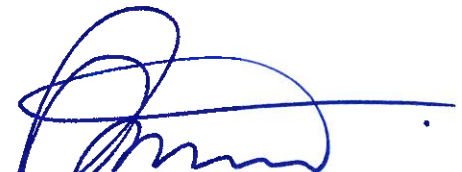
Events after the end of the reporting period

There were no events after the end of the reporting period that materially affected the financial position of the Group or of the Company, or that require mention in this report.

Approved by the Board of Directors on 26 August 2021 and signed on its behalf by



Josef Dimech
Director



Stephen Muscat
Director



JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2021

DIRECTORS' DECLARATION

We hereby confirm that to the best of our knowledge:

- The condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2021, and of its financial performance and cash flows for the six-month period then ended in accordance with IAS 34 *Interim Financial Reporting*; and
- The Interim Directors' Report includes a fair review of the information required in terms of Prospectus Rule 4.11.12.

Josef Dimech
Director

Stephen Muscat
Director

26 August 2021



JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2021

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2021 to 30.06.2021 (Unaudited) €	01.01.2020 to 30.06.2020 (Unaudited) €
Turnover	8,211,192	6,852,934
Cost of sales	(7,218,925)	(5,328,401)
Gross profit	992,267	1,524,533
Selling and distribution expenses	(75,066)	(52,646)
General and administrative expenses	(356,393)	(742,766)
Other income	416	585
Finance income	108,188	101,040
Finance costs	(221,264)	(236,900)
Impairment on financial assets	(99,031)	(43,395)
Profit before tax	349,117	550,451
Taxation	(122,337)	(204,445)
Profit for the period	226,780	346,006
Total comprehensive income for the period	226,780	346,006
Earnings per share	0.93	1.41



JD CAPITAL PLC

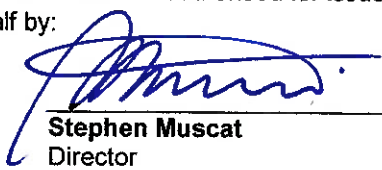
Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2021

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30.06.2021 (Unaudited)	31.12.2020 (Audited)
Note	€	€
ASSETS		
Non-current assets		
Property, plant and equipment	14,735,365	15,039,420
Investment property	4,522,715	4,522,184
Intangible assets	224,497	224,497
Financial assets at amortised cost	6,637,692	5,924,940
Deferred tax asset	4,973	4,973
	<u>26,125,242</u>	<u>25,716,014</u>
Current assets		
Financial assets at amortised cost	2,257,766	1,789,458
Inventories	2,229,816	1,374,962
Contract assets	5,420,854	1,984,147
Trade and other receivables	2,353,615	2,384,712
Cash and cash equivalents	64,040	10,503
	<u>12,326,091</u>	<u>7,543,782</u>
TOTAL ASSETS	<u>38,451,333</u>	<u>33,259,796</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	245,100	245,100
Other equity	7,301,600	7,301,600
Retained earnings	1,250,677	1,023,897
TOTAL EQUITY	<u>8,797,377</u>	<u>8,570,597</u>
Non-current liability		
Borrowings	3 8,867,767	8,166,954
Lease liabilities	3,505,964	3,528,128
Other payables	4,091,140	3,810,218
Non-current tax liabilities	590,543	660,731
Deferred tax liability	360,000	360,000
	<u>17,415,414</u>	<u>16,526,031</u>
Current liabilities		
Borrowings	3 2,974,108	2,017,712
Lease liabilities	35,115	34,248
Contract liabilities	2,930,729	696,385
Current tax liabilities	688,959	556,272
Trade and other payables	5,609,631	4,858,551
	<u>12,238,542</u>	<u>8,163,168</u>
TOTAL LIABILITIES	<u>29,653,956</u>	<u>24,689,199</u>
TOTAL EQUITY AND LIABILITIES	<u>38,451,333</u>	<u>33,259,796</u>

The condensed interim consolidated financial statements on pages 6 - 13 were authorised for issue by the Board of Directors on 26 August 2021 and signed on its behalf by:


Josef Dimech
Director


Stephen Muscat
Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital €	Other equity €	Retained earnings €	Total €
Six months period ended 30 June 2020:				
Balance at 1 January 2020	245,100	7,301,600	1,141,745	8,688,445
Total comprehensive income for the period:				
<i>Profit for the period</i>	-	-	346,006	346,006
Balance at 30 June 2020	245,100	7,301,600	1,487,751	9,034,451
Six months period ended 30 June 2021:				
Balance at 1 January 2021	245,100	7,301,600	1,023,897	8,570,597
Total comprehensive income for the period:				
<i>Profit for the period</i>			226,780	226,780
Balance at 30 June 2021	245,100	7,301,600	1,250,677	8,797,377

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	01.01.2021 to 30.06.2021 (Unaudited) €	01.01.2020 to 30.06.2020 (Unaudited) €
Cash flows from operating activities		
Profit before tax	349,117	550,451
Adjustments for:		
Finance cost	221,264	236,900
Finance income	(108,188)	(101,040)
Depreciation expense	399,667	377,903
Loss on disposal of property, plant and equipment	-	15,637
Impairment of financial assets	99,031	43,395
Amortisation of bond issue costs	5,335	5,065
Profit from operations	<u>966,226</u>	<u>1,128,311</u>
Increase in inventories	(854,854)	(662,132)
Increase in trade and other receivables and contract assets	(5,170,951)	(2,261,246)
Increase in trade and other payables and contract liabilities	3,391,010	861,575
Cash used in operating activities	<u>(1,668,569)</u>	<u>(933,492)</u>
Interest paid	(41,940)	(22,837)
Income taxes paid	(59,838)	-
Net cash flows used in operating activities	<u>(1,770,347)</u>	<u>(956,329)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment and investment property	(96,143)	(210,558)
Proceeds from disposal of property, plant and equipment	-	12,263
Repayment of loans receivable	581,982	218,661
Movement in amounts due from related company	11,456	(631,685)
Net cash flows from/(used in) investing activities	<u>497,295</u>	<u>(611,319)</u>
Cash flows from financing activities		
Proceeds from short-term borrowings	1,468,313	1,706,259
Interest paid	(250,000)	(250,000)
Movement in amount due to ultimate shareholder and related company	(1,091)	169,759
Payment of lease liabilities	(75,285)	(105,570)
Net cash flows from financing activities	<u>1,141,937</u>	<u>1,520,448</u>
Net movement in cash and cash equivalents	<u>(131,115)</u>	<u>(47,200)</u>
Cash and cash equivalents at beginning of period	<u>10,503</u>	<u>(434,152)</u>
Cash and cash equivalents at end of period	<u>(120,612)</u>	<u>(481,352)</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**1. BASIS OF PREPARATION**

These unaudited condensed interim consolidated financial statements for the six months period ended 30 June 2021 have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

In addition, results for the six-month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with those of the Group's financial statements for the year ended 31 December 2020. In addition, the Group has adopted the new and revised standards and amendments which are effective for annual periods beginning 1 January 2021. The application of these new standards and interpretations did not have any material impact on the amounts reported for the current and prior periods.

Use of judgements and estimates

In preparing condensed interim consolidated financial statements, the Board of Directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

There have been no material revisions to the nature and estimates of amounts reported in prior periods. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at 31 December 2020.

Impact of accounting standards to be applied in future periods

There are a number of standards and interpretations which have been issued that are effective for periods beginning 1 January 2022 that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

NOTES TO THE CONSENSSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued

3. BORROWINGS

	30.06.21	31.12.20
	(unaudited)	(audited)
	€	€
Non-current		
€5,000,000 bonds, 5% unsecured (i)	4,911,305	4,905,970
Bank loan I (ii)	600,000	591,000
Bank loan II (iii)	1,814,726	1,422,583
Revolving facility (iv)	1,089,398	793,971
Amounts due to the ultimate shareholder (v)	452,339	453,430
	8,867,767	8,166,954
	<hr/>	<hr/>
Current		
Bank overdrafts (vi)	184,652	-
Bank loan I (ii)	100,000	25,000
Bank loan II (iii)	611,001	558,718
Revolving facility (iv)	2,068,800	1,424,339
Amounts due to the ultimate shareholder (vii)	9,655	9,655
	2,974,108	2,017,712
	<hr/>	<hr/>

- i. The bonds will mature on 21 May 2028 with annual interest payments every 21 May until maturity. The amount presented in net of unamortised bond issue costs of €88,695 (31.12.2020: €94,030).
- ii. Bank loan I pertains to a loan with a local bank under the Malta Development Bank's COVID-19 Assist Program. The loan bears interest at a fixed rate of 2.5% per annum for the first two years from the take up of the loan and thereafter at the rate of the aggregate of the margin of 2.75% per annum and the three-month EURIBOR. The loan is repayable over a period of six years inclusive of a 12-month moratorium on the principal and six-months on interest. Following the moratorium period, the loan shall be repayable in 60 monthly instalments of €12,500. The loan is secured by a first general hypothec over the Company's assets and guarantee by the ultimate shareholder.
- iii. Bank loan II is a loan with another local bank taken as well under the Malta Development Bank's COVID-19 Assist Program. The loan bears interest at the rate of the aggregate of the margin of 3.15% per annum and the three-month EURIBOR. The loan is repayable in monthly instalments of €50,917 beginning December 2020 until May 2024. The loan is secured by Malta Development Bank Guarantee for €1,800,000 and a special hypothec for €200,000 over property owned by a related party.
- iv. The revolving facility bears interest at the rate of 5% per annum plus the 12-month EURIBOR and is repayable in accordance with the term sheet as agreed with the bank for each drawdown. The revolving facility is of €4,000,000.

NOTES TO THE CONSENSSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued

3. BORROWINGS - continued

- v. The amounts due to the ultimate shareholder are unsecured and interest-free. The ultimate shareholder has committed in writing that he will not call the said amounts for repayment within the twelve months following the date of the statement of financial position.
- vi. The bank overdrafts pertain to the outstanding balances on the overdraft facilities of the Group with two local banks which are repayable on demand. These overdrafts bear interest at a market lending interest rates plus the fixed margins as set by the banks.
- vii. The amounts due to a related company and the amounts due to ultimate shareholder are unsecured, interest free and are repayable on demand.

4. RELATED PARTY TRANSACTIONS

The Group carries out transactions with related parties on a regular basis and in the ordinary course of the business.

The following summarises the transactions with related parties that transpired during the period:

	30.06.21	30.06.20
	€	€
Turnover	49,968	341,245
Direct costs	-	120,000

Directors' remuneration during the period amounted to €143,807 (2020: €139,272).

5. CORONAVIRUS (COVID-19) PANDEMIC

During the first half of the financial year 2021, the spread of the coronavirus COVID-19 is ongoing and impacting negatively on the economic situation globally, including Malta as a result of the measures put in place by the relevant authorities.

The directors consider that in the prevailing circumstances the period under review was satisfactory. Following the outbreak of the COVID-19 pandemic, the Directors have continued to closely monitor the situation resulting from these events and the effects which these may have on its stakeholders, operations and performance, in order to safeguard the interests of the Group, as necessary. For some time, the Group experienced temporary disruptions, yet the trading and financial performance have remained positive in the current period.

Management believes that operational changes implemented more recently will continue to have a positive impact on performance. Nonetheless the Group continues to operate in uncertain and unprecedented circumstances brought about by the pandemic, which may have an adverse impact on the Group's future profitability and financial position.



JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)
For the Six Months Period Ended 30 June 2020

NOTES TO THE CONSENSSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued

6. MFSA PENALTY

In 2020, the Malta Financial Services Authority (MFSA) imposed an administrative penalty of €5,000 upon the Company for a breach of Article 18(1)(s) of the Market Abuse Regulations, namely for the late submission to the MFSA of the updated List of Insiders. The Company has appealed with the Financial Services Tribunal requesting the revocation of the penalty in its entirety. On 30 June 2021, such appeal was denied, and the penalty was settled by the Company after the interim reporting period.

7. SHARE CAPITAL TRANSACTION

During the interim period, the shareholders have resolved to increase the authorised share capital from €245,100 divided into 245,000 Ordinary shares of €1 each and 100 Ordinary A shares of €1 each, to €7,546,700 divided into 7,543,621 Ordinary shares of €1 each and 3,079 Ordinary A shares of €1 each. The additional share capital is intended to be used to settle the outstanding €7,301,600 subordinated loan, accounted for in these financial statements as Capital Contribution within Other equity, and capitalise the same through the allotment of the additional shares. The transaction is still in progress as at the end of the interim period and as at the date of publication of this report.