Malta International Airport p.l.c.

C 12663

Interim Report

Interim Condensed Consolidated Financial Statements
and Directors' Report

30 June 2023

Contents

Interim Directors' Report

These interim condensed consolidated financial statements comprise the financial statements of Malta International Airport plc and its subsidiaries: Airport Parking Limited, Sky Parks Development Limited, and Sky Parks Business Centre Limited.

Performance Review

Traffic Development

Compared to Q1 and Q2 in 2022, the first two quarters of the year under review registered a significant increase in traffic figures. Given that the first two quarters of 2022 were still heavily impacted by the COVID crisis and related restrictions on air travel, a jump of 46.4% in passenger traffic was observed when comparing the first half of 2022 and that of the present year. While the entire first half of 2023 performed significantly better than the same comparable period in 2022, the first quarter registered a much stronger increase of 85.1% in parallel with an increase of 15.6 percentage points in the seat load factor (SLF).

A good performance was also registered when comparing the first half of 2023 to pre-pandemic figures. Here, traffic increased by 5.6% over 2019, as 3,434,470 passengers passed through Malta International Airport. This result was registered despite a marginal increase of 1.2% in seat capacity over 2019, with the number of seats available in the first half of 2023 amounting to 4,122,157. On the other hand, aircraft movements (23,339) remained slightly below 2019 levels but rose by 32.4% in comparison with 2022. The upward trend in passenger numbers and seat capacity has been driven by the gradual release of the pent-up demand for air travel, which has also been reflected in high seat load factors (SLF) over the past months. Gaining 7.1 percentage points compared to previous year and 3.4 percentage points over 2019, the SLF for the first half of 2023 stood at 83.3%.

Italy, the United Kingdom, Germany, France and Poland were the most popular markets in the first half of 2023. Out of these top five markets, the United Kingdom and Germany continued to perform below 2019 levels as flight connections between Malta and these two markets have not been fully recovered, while the other three markets registered different levels of growth and outperformed their respective 2019 passenger traffic results.

	Q1 2023	Q1 2022	% Change
Passenger Movements	1,245,525	672,965	85.1%
Aircraft Movements	8,825	5,990	47.3%
Seat Capacity	1,535,759	1,028,045	49.4%
Seat Load Factor	81.1%	65.5%	15.6pp
MTOW (in tonnes)	348,466	230,583	51.1%
Cargo and Mail (in tonnes)	4,948	3,716	33.2%

	Q2 2023	Q2 2022	% Change
Passenger Movements	2,188,945	1,672,331	30.9%
Aircraft Movements	14,514	11,639	24.7%
Seat Capacity	2,586,398	2,048,569	26.3%
Seat Load Factor	84.6%	81.6%	3.0pp
MTOW (in tonnes)	564,514	446,684	26.4%
Cargo and Mail (in tonnes)	4,948	4,145	19.4%

	H1 2023	H1 2022	% Change
Passenger Movements	3,434,470	2,345,296	46.4%
Aircraft Movements	23,339	17,629	32.4%
Seat Capacity	4,122,157	3,076,614	34.0%
Seat Load Factor	83.3%	76.2%	7.1pp
MTOW (in tonnes)	912,980	677,267	34.8%
Cargo and Mail (in tonnes)	9,896	7,861	25.9%

Financial Performance

The total revenue generated between January and June 2023 increased by EUR 16.3mn over 2022, going on to surpass 2019 levels for the first time. The growth in passenger numbers together with higher revenues generated from non-aviation activities drove the Group's total revenue up from EUR 37.3mn in H1 2022 to EUR 53.6mn in H1 2023.

While the airport segment generated EUR 12.0mn more than it had in the first half of 2022, revenue from the retail and property segment increased from EUR 12.8mn in H1 2022 to EUR 16.8mn in H1 2023, with the latter figure representing a 31% share of the total revenue. Both segments also performed better than they had in the first half of 2019, with revenue from airport activities increasing by more than EUR 5.4mn and an additional EUR 3.5mn being generated from retail and property activities.

(in EUR)	Q1 2023	Q1 2022	% Change
Airport	11,867,969	6,065,949	95.6%
Retail and Property	6,762,761	4,797,372	41.0%
Other	310,143	81,444	280.8%
	Q2 2023	**Q2 2022**	**% Change**
Airport	24,565,692	18,375,892	33.7%
Retail and Property	10,071,759	7,971,334	26.3%
Other	66,360	13,168	403.9%
	H1 2023	**H1 2022**	**% Change**
Airport	36,433,661	24,441,841	49.1%
Retail and Property	16,834,520	12,768,706	31.8%
Other	376,503	94,612	297.9%
Total Revenue	**53,644,684**	**37,305,159**	**43.8%**
Staff Costs	(6,425,420)	(3,978,651)	61.5%
Other Operating Costs	(13,725,004)	(10,065,834)	36.4%
EBITDA	**33,494,259**	**23,260,674**	44.0%
Profit Before Tax	**27,126,746**	**16,657,708**	**62.8%**
Profit After Tax	**17,562,843**	**10,694,526**	**64.2%**

The total expenditure during the reporting period amounted to EUR 20.2mn, marking an increase of EUR 6.1mn compared to H1 2022 (+43.5%).

A look at staff costs shows that these increased by EUR 2.4mn (+61.5%), primarily as a result of the growth in headcount required to continue delivering excellent service to an increasing number of passengers, together with the discontinuation of the COVID Wage Supplement Scheme by the end of May 2022.

During the reporting period, other operating costs increased by EUR 3.7mn (+37.0%) compared to 2022. Variable costs for security, cleaning, maintenance and customer services, as well as costs for VIP and lounge services, were in line with passenger numbers. Other fixed operating costs registered a below-average increase, highlighting the Group's strong commitment to cost efficiency.

The EBITDA of the Group registered an increase of EUR 10.2mn; from EUR 23.3mn in 2022 to EUR 33.5mn in 2023, resulting in a net profit of EUR 17.6mn (2022: EUR 10.7mn).

Infrastructural Investments

The capital expenditure for the reporting period totalled EUR 7.7mn (2022: EUR 6.4mn).

Some of the most noteworthy milestones in relation to investments include the conclusion of the third phase of the cargo village project, which saw the completion of the construction of a new warehouse in the first quarter of 2023.

Works on the relocation of the fuel station in preparation for the construction of SkyParks 2 also continued apace, with the full relocation set to be completed by the end of Q3 2023.

Moreover, works on the Apron X project, whose primary aim is to increase the airport's aircraft parking capacity, gathered momentum in H1 2023. In parallel, the company continued to invest in the maintenance of the exisiting airfield infrastructure, with apron stands, the runways and service roads all undergoing general rehabilitation works to ensure safe and secure operations.

Other investments include the expansion of the customs area, works on which are nearing completion. Once this project is finalised, the area will occupy double its original footprint, allowing for better passenger flows at this point of the airport journey. Additonally, the company has begun to carry out preparatory works in relation to the upgrade of the VIP terminal and the first phase of the terminal expansion project, which will entail a westward extension that will allow for the introduction of a new Schengen arrivals route and the addition of two baggage reclaim belts.

Shareholder Dividend

Considering the Group's strong financial performance for the reporting period, the Board of Directors is proposing an interim net dividend of EUR 0.03 per share on all shares settled at close of business on Wednesday 23rd August 2023, which is payable by no later than Friday 15th September 2023.

Outlook / Guidance

The aviation industry has made significant strides in its journey of recovery. However, industry operators continue to navigate a challenging landscape characterised by staff shortages, aircraft delivery delays, climate-related requirements, limited infrastructure, slot constraints and industrial action. Additionally, any escalation of geopolitical tensions, primarily the war in Ukraine, could translate into new or exacerbated impacts on the aviation industry.

While the passenger figures reported in 2023 show that economic uncertainty, purchasing power pressures and higher air fare have not yet lessened the demand for air travel, pent-up demand is expected to gradually level off, leading to lower seat load factors than those that have been reported lately.

The increased pressures on the aviation industry to decarbonise its operation, mainly through the use of sustainable aviation fuel (SAF) and an investment in new refuelling infrastructure, are likely to be reflected in higher ticket prices in the medium term. Additionally, the European Union's plans to revise the energy taxation directive will have a bigger impact on island states like Malta which rely heavily on air connectivity.

While Malta International Airport expects passenger traffic growth during the summer months will greatly outweigh the shoulder months in 2023, looking ahead, it will continue working to address seasonality and attain a balanced business mix, both of which are crucial to the achievement of sustainable growth.

Keeping in mind these short and medium-term challenges while considering the strong performance registered for the period between January and June and expectations of an overall positive summer season, the Company's outlook for 2023 is cautiously optimistic.

Thus, Malta International Airport expects to close off 2023 with:

Traffic: 7.2mn passengers
Revenue: EUR 113mn
EBITDA: EUR 70mn
Net Profit: EUR 37mn
CAPEX: EUR 39mn

Alan Borg
Chief Executive Officer

By Order of the Board
1 August 2023

Condensed Consolidated Statement of Comprehensive Income

Period Ended 30 June 2023

The Group unaudited | in EUR	Notes	H1 2023	H1 2022
Revenue	7	53,644,684	37,305,159
Staff costs	8	(6,425,420)	(3,978,651)
Other operating expenses		(13,663,813)	(9,976,872)
Impairment losses on financial assets		(61,191)	(88,962)
Depreciation		(6,012,860)	(5,681,378)
Release of deferred income arising on the sale of terminal buildings and fixtures		141,802	141,802
Investment income		575,735	725
Finance cost		(1,072,191)	(1,064,115)
Profit before tax		27,126,746	16,657,708
Income tax expense	10	(9,563,903)	(5,963,182)
Profit for the period attributable to the ordinary equity holders of the Company, net of tax		17,562,843	10,694,526
Profit per share attributable to the ordinary equity holders of the Company		0.130	0.079

Condensed Consolidated Statement of Financial Position

30 June 2023

The Group in EUR	Notes	30 June 2023 unaudited	31 December 2022 audited
Assets			
Property, plant and equipment	11	172,159,153	170,078,670
Investment property		15,510,905	15,875,216
Other Receivables		1,912,837	1,992,558
Deferred tax assets		5,916,497	5,620,139
Non-current assets		195,499,392	193,566,583
Inventories		1,134,412	1,162,402
Trade and other receivables	12	30,394,094	21,706,912
Short-term Treasury bills	12	9,889,555	24,789,438
Term deposits	12	25,000,000	19,500,000
Cash and short term deposits	12	32,154,170	24,420,042
Current assets		98,572,231	91,578,794
Total - Assets		294,071,623	285,145,377
Equity and liabilities			
Equity attributable to ordinary equity holders of the Company			
Share capital		33,825,000	33,825,000
Retained earnings		138,368,170	137,041,327
Total - Equity		172,193,170	170,866,327
Lease liability	13	54,208,339	54,042,492
Deferred income		5,231,123	5,372,926
Other Payables		715,321	1,184,025
Provision for retirement benefit plan		3,011,057	2,964,300
Provision for MIA benefit fund		260,071	359,188
Non-current liabilities		63,425,911	63,922,931
Trade and other payables	12	46,779,722	48,379,099
Current tax liabilities		11,672,820	1,977,020
Current liabilities		58,452,542	50,356,119
Total - Liabilities		121,878,453	114,279,050
Total - Equity and Liabilities		294,071,623	285,145,377

Condensed Consolidated Statement of Changes in Equity

Period Ended 30 June 2023

	Equity attributable to ordinary equity holders of the Company		
The Group unaudited | in EUR	Share capital	Retained earnings	Total
Balance at 1 January 2023	33,825,000	137,041,327	170,866,327
Income for the period	-	17,562,843	17,562,843
Total comprehensive income for the period	-	17,562,843	17,562,843
Dividends	-	(16,236,000)	(16,236,000)
Balance at 30 June 2023	33,825,000	138,368,170	172,193,170

The Group unaudited | in EUR	Share capital	Retained earnings	Total
Balance at 1 January 2022	33,825,000	97,941,580	131,766,580
Income for the period	-	10,694,526	10,694,526
Total comprehensive income for the period	-	10,694,526	10,694,526
Balance at 30 June 2022	33,825,000	108,636,106	142,461,106

Condensed Consolidated Statement of Cash Flows

Period Ended 30 June 2023

The Group unaudited | in EUR	Notes	H1 2023	H1 2022
Cash flows from operating activities			
Profit before tax		**27,126,747**	**16,657,708**
Adjustments for:			
Depreciation of property, plant and equipment		6,012,860	5,681,378
Release of deferred income arising on the sale of the terminal building		(141,802)	(141,802)
Amortisation of European Commission Grant		(20,128)	(20,128)
Impairment Loss		61,191	88,962
Finance cost		1,072,191	1,064,115
Gain on sale of property, plant and equipment		-	(18,000)
Investment income		(575,735)	(725)
Provision for retirement benefit plan		46,757	18,212
Provision for MIA benefit plan		(94,917)	28,353
Operating items		**6,360,417**	**6,700,365**
Working capital movements:			
Movement in inventories		27,990	(65,617)
Movement in trade and other receivables		(8,397,494)	(8,444,462)
Movement in trade and other payables and other financial liabilities		(1,524,362)	2,273,996
Working capital movements		**(9,893,866)**	**(6,236,083)**
Cash flows from operations		**23,593,298**	**17,121,991**
Lease interest paid	13	(906,344)	(1,922,255)
Income taxes paid		(164,462)	(2,652,918)
Receipts of deposit from tenant		3,500	10,750
Retirement benefit paid		(4,200)	-
Net cash flows from operating activities		**22,521,792**	**12,557,568**
Cash flows from investing activities			
Purchase of PPE	11	(8,176,132)	(5,737,078)
Additions to investment property		(79,993)	(1,167,311)
Proceeds from sale of property, plant & equipment		-	18,000
Investments from short-term treasury bills		14,899,883	-
Investments in term deposits		(5,500,000)	1,000,000
Interest received		304,578	12,963
Net cash flows from / used in investing activities		**1,448,336**	**(5,873,426)**
Cash flows from financing activities			
Dividends paid	16	(16,236,000)	-
Net cash flows used in financing activities		**(16,236,000)**	**-**
Net movement in cash and cash equivalents		**7,734,128**	**6,684,142**
Cash and cash equivalents at the beginning of the period		**24,420,042**	**22,215,002**
Cash and cash equivalents at the end of the period		**32,154,170**	**28,899,143**

1. Reporting Entity and Consolidation Range

The interim condensed consolidated financial statements ("Interim Financial Statements") of the Group for the six months ended 30 June 2023 ("H1") were authorised for issue in accordance with a resolution of the directors on 01 August 2023.

Malta International Airport p.l.c. (the "Company") is a public company incorporated and domiciled in Malta whose shares are publicly listed and traded on the Malta Stock Exchange.

The principal activities of the Company and its subsidiaries (the "Group") are the development, operation and management of Malta's airport. The Group also operates a business centre within the limits of the airport.

2. Basis of Preparation

These Interim Financial Statements for the six months ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and the Capital Markets Rules issued by the Malta Financial Services Authority.

The financial information of the Group as at 30 June 2023 and for the six months then ended reflect the financial position and the performance of Malta International Airport p.l.c. and its subsidiaries; Airport Parking Limited, Sky Parks Development Limited and Sky Parks Business Centre Limited. The comparative amounts reflect the position of the Group as included in the audited financial statements ended 31 December 2022 and the unaudited results for the period ended 30 June 2022.

The Interim 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 2022, which form the basis for these Interim Financial Statements. These Interim Financial Statements are intended to provide an update on the latest complete set of annual financial statements and accordingly they focus on new activities, events and circumstances.

In terms of Capital Markets Rules 5.75.5, this interim report has not been audited by the Group's independent auditors.

3. Judgments and Key Sources of Estimation Uncertainty

In preparing these Interim Financial Statements, management has made judgements and estimates that affect the application of accounting policies and that can significantly affect the amounts recognised. The significant judgements made in applying the Group's accounting policies and the key sources of estimation uncertainty in respect to service concession arrangements in terms of IFRIC 12 and leases in terms of IFRS 16 were the same as those described in the last annual financial statements.

4. Application of new and revised IFRS

The following amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

IAS 1 Amendments – Classification of Liabilities as Current or Non-current

The amendment affects only the presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

IAS 8 Amendments – Definition of Accounting Estimates

This amendment was issued to distinguish between changes in accounting policies from changes in accounting estimates.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements.

IAS 12 Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Prior to the amendments, there had been some uncertainty about whether the IAS 12 exemption from recognising deferred tax applied to transactions for which companies recognise both an asset and liability, for example leases. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The amendments are effective for annual reporting period beginning on or after 1 January 2023.

At the date of approval of these financial statements, a number of other International Financial Reporting Standards were either not yet endorsed by the EU or were not yet applicable to the Group. The Board of Directors anticipate that the adoption of these Standards will have no material impact on the financial statements of the Group in the period of initial application.

5. Significant Accounting Policies

The condensed Interim Financial Statements as of 30 June 2023 have been prepared using the same accounting policies and methods of computation as those on which the preceding annual consolidated financial statements as of 31 December 2022 were based.

6. Operating Segments

Airport Segment

The Airport Segment comprises the activities usually carried out by an airport. These services include revenue from airport regulated fees, aviation concessions and PRMs (persons with reduced mobility) and their associated costs. This segment also includes the operations and maintenance of the terminal, runways, taxiways and aprons.

Retail and Property Segment

The Retail and Property Segment includes various services that support the airport operations. These include the operations of the various retail outlets within the airport perimeter, advertising sites and rental of offices, warehouses and income from the running of the VIP lounges. Income and costs from Airport Parking Limited and Sky Parks Business Centre Limited are also allocated within the Retail & Property Segment.

Other Segment

This comprises services that do not fall under the Airport and the Retail and Property Segments. These include miscellaneous income and disbursement fees from third parties and any costs associated with this income.

The results of the Group's operating segments are as follows:

H1 2023 (in EUR)	Airport	Retail and Property	Other	The Group
Revenue (external)	36,433,661	16,834,520	376,503	53,644,684
Staff costs	(5,604,770)	(820,650)	-	(6,425,420)
Other operating costs	(11,190,652)	(2,473,161)	-	(13,663,813)
Impairment losses on financial assets	(107,038)	45,847	-	(61,191)
EBITDA	**19,531,201**	**13,586,556**	**376,503**	**33,494,260**
Depreciation	(3,541,145)	(2,471,715)	-	(6,012,860)
EBIT	**15,990,056**	**11,114,841**	**376,503**	**27,481,400**
Investment income				575,735
Finance cost				(1,072,191)
Release of deferred income arising on the sale of terminal buildings and fixtures				141,802
Profit before tax				**27,126,746**

H1 2022 (in EUR)	Airport	Retail and Property	Other	The Group
Revenue (external)	24,441,841	12,768,706	94,612	37,305,159
Staff costs	(3,364,877)	(613,774)	-	(3,978,651)
Other operating costs	(8,072,344)	(1,904,528)	-	(9,976,872)
Impairment losses on financial assets	(90,999)	2,037	-	(88,962)
EBITDA	**12,913,621**	**10,252,441**	**94,612**	**23,260,674**
Depreciation	(3,476,155)	(2,205,223)	-	(5,681,378)
EBIT	**9,437,466**	**8,047,218**	**94,612**	**17,579,296**
Investment income				725
Finance cost				(1,064,115)
Release of deferred income arising on the sale of terminal buildings and fixtures				141,802
Profit before tax				**16,657,708**

7. Revenue

In the following table, revenue is disaggregated by revenue category. The table also includes a reconciliation of the disaggregated revenue with the Group's operating segments (see Note 6).

H1 2023 (in EUR)	Airport	Retail and Property	Other	The Group
Revenue from Services provided Over Time				
Regulated revenue	33,720,891	-	-	33,720,891
Unregulated revenue	2,712,770	4,483,474	376,503	7,572,747
Revenue from Contracts with Customers	36,433,661	4,483,474	376,503	41,293,638
Revenue from Leases	-	12,351,046	-	12,351,046
Total Revenue	36,433,661	16,834,520	376,503	53,644,684

H1 2022 (in EUR)	Airport	Retail and Property	Other	The Group
Revenue from Services provided Over Time				
Regulated revenue	22,590,985	-	-	22,590,985
Unregulated revenue	1,850,856	3,238,980	94,612	5,184,448
Revenue from Contracts with Customers	24,441,841	3,238,980	94,612	27,775,433
Revenue from Leases	-	9,529,726	-	9,529,726
Total Revenue	24,441,841	12,768,706	94,612	37,305,159

8. Number of Employees

The number of persons employed at the end of the reporting period, including Executive Directors was as follows:

	30 June 2023	30 June 2022
Employees	416	356

9. Government Assistance

The Maltese Government announced a number of measures to financially support businesses whose operation was impacted by the Covid-19 pandemic. Malta International Airport was eligible to benefit from the Covid Wage Supplement, receiving EUR 800 on a monthly basis per full-time employee starting from 9 March 2020 until May 2022. In the comparative period, between January and May, the Company received EUR 1.1 million (2023: Nil) in government grants. These amounts were deducted from the line item 'Staff Costs' in the Consolidated Statement of Comprehensive Income.

10. Income Tax

The interim period income tax is based on the Maltese corporate tax rate of 35%. Income taxes for the interim reporting period represent a best estimate of the weighted average annual income tax rate expected for the full financial year.

11. Property, Plant and Equipment

During the first six months of the year, additions by the Group on investment projects within the terminal and to the airfield, as well as on car park infrastructure amounted to EUR 7.7 million (H1 2022: EUR 6.5 million).

12. Financial Assets and Financial Liabilities

The Group's financial assets and financial liabilities of a current nature comprise trade and other receivables, term deposits, treasury bills and cash; as well as trade and other payables. The Group's financial liabilities which are non-current comprise other payables and lease liabilities. All of these financial liabilities are classified as measured at amortised cost (AC). The lease liabilities are measured in terms of the Group's accounting policy.

Fair Values

At 30 June 2023 and 31 December 2022 carrying amounts of the Group's current financial assets and current financial liabilities approximated their fair values due to the short-term maturities of these financial instruments. The carrying amount of the non-current other payables also approximated their fair values as at 30 June 2023. For the lease liabilities, disclosure of fair value is not required.

13. Lease Arrangements

The Group as lessee

Lease arrangements where the Group is a lessee remain unchanged from the last Annual Financial Statements and primarily include the temporary emphyteusis of the leasehold land and buildings with ground rents payable by the Company to Malita Investments plc (previously to the Government of Malta) and further payments for the related aerodrome licence fee payable to the Government of Malta, with no renewal option included in the contracts. The term of the leases ranges from 58 years to 65 years and the lease payments on the temporary emphyteusis are adjusted upwards periodically by a specified rate.

The Group

Lease Liability (in EUR)	Carrying Amount	Gross Cash Flows	< 1 year	1-5 Years	> 5 years
H1 2023	54,208,339	131,484,694	1,812,688	7,476,523	122,195,483
H1 2022	53,881,547	133,297,382	1,812,688	7,279,043	124,205,650

13. Lease Arrangements (continued)

The Group as lessor

Lease arrangements where the Group is a lessor remain unchanged from the last Annual Financial Statements. These primarily consist of lease agreements for portions of land held on temporary emphyteusis, commercial property situated in the terminal building as well as commercial property within Sky Parks Business Centre and Park East.

The table below represents the lease income under operating leases recognised as income for the year:

The Group (in EUR)	H1 2023	H1 2022
Lease income under operating leases recognised as income for the year	3,361,612	3,313,839
Lease income under operating leases relating to variable lease payments that do not depend on an index or a rate	8,989,434	6,215,887
Total lease income under operating leases recognised as income for the year	12,351,046	9,529,726

Below is the 'Minimum Lease Payment Receivables' table showing the amounts to be received from next year onwards:

(in EUR)	H1 2023	H1 2022
Year 1	3,078,639	3,414,021
Year 2	2,878,230	2,290,413
Year 3	2,129,440	2,097,563
Year 4	1,966,103	1,505,900
Year 5	1,584,979	1,375,631
Year 6 and onwards	15,886,640	17,076,627
	27,524,031	27,760,155

14. Contingencies and Commitments

There were no major changes in contingent liabilities, and they remain in essence as reported in the Group's annual financial statements of 2022.

At 30 June 2023, the Group had capital commitments of approximately EUR 35,404,186 (31 December 2022: EUR 34,085,719) in respect of the terminal and airfield infrastructure.

15. Related Party Disclosures

During the course of the period, the Group entered into transactions with related parties as set out below. Transactions between the Company and its subsidiaries have been eliminated on consolidation.

The related party transactions in question were:

	H1 2023			H1 2022		
(in EUR)	Related party activity	Total activity	%	Related party activity	Total activity	%
Revenue						
Related party transaction with:						
Entities controlled by Government	9,572,288			6,530,074		
	9,572,288	53,644,684	18	6,530,074	37,305,159	18
Other operating costs						
Related party transaction with:						
Entities controlled by Government	1,753,400			1,820,372		
Key management personnel of the Group	314,357			233,830		
Entities that control the Company's parent	118,061			100,002		
	2,185,817	13,663,813	16	2,154,204	9,976,872	22

Further to the above, the government assistance is disclosed in Note 9.

In addition to the above, the details of the material contracts entered into by the Group in the period ended 30 June 2023 and 30 June 2022 with its substantial shareholders and their related parties are listed below:

The Government of Malta

(i) The terminal and other land lease agreements with Malita Investments plc for EUR 658,266 (H1 2022: EUR 578,555);

(ii) The aerodrome licence fee payable to the Government of Malta for the airport operation amounting to EUR 248,078 (H1 2022: EUR 248,078);

(iii) The contract for contribution to the Malta Tourism Authority (MTA) for EUR 116,468 (H1 2022: EUR 116,468); the contracts for contributions payable towards the Route Development Fund that is administered by the Malta Tourism Authority for EUR 3,000,000 (H1 2022: EUR -);

(iv) The contract with the Armed Forces of Malta for the security of the restricted areas at the Airport is no longer effective in the current reporting period (H1 2022: EUR 276,368);

(v) The provision of Air Navigation Services and other services by Malta Air Traffic Services Limited for an expense of EUR 464,806 (H1 2022: EUR 464,806);

(vi) The provision of Meteorological Services and other services to Malta Air Traffic Services Limited for revenue of EUR 371,844 (H1 2022: EUR 371,844);

(vii) The contract for fuel throughput charges with Enemed Company Ltd. generated the amount of EUR 197,989 (H1 2022: EUR 161,195) in revenue;

(viii) The ground handling and concession agreements with Air Malta plc and its subsidiaries is no longer effective in the current period (H1 2022: EUR 823,043);

(ix) The contracts with Indis Malta Ltd. for the lease of land that generated income of EUR 551,808 (H1 2022: EUR 541,192).

15. Related Party Disclosures (continued)

Right-of-use assets include the Group's right to use the land and the buildings held on temporary emphyteuses with annual ground rents payable to Malita Investments plc (previously to the Government of Malta) and the corresponding licence payable to the Government of Malta, as further disclosed above. The annual depreciation is recognised as an expense over the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The interest expense on the lease liability is recognised using the effective interest method.

16. Dividends

During the current interim period a net dividend of EUR 0.12 (2022: Nil) per share amounting to EUR 16,236,000 was paid to the shareholders of the parent company.

Furthermore, an interim net dividend of EUR 0.03 per share amounting to EUR 4,059,000 on all shares settled as at close of business on Wednesday 23rd August 2023 is being proposed by the Board of Directors. The condensed consolidated financial statements do not reflect the dividend proposed after 30 June 2023.

17. Seasonality

The revenue and earnings of the first six months generally represent around 44% and 41% of the total annual revenue and earnings of the Group, respectively.

18. Events after the Reporting Period

All events occurring after the balance sheet date until the date of authorisation for issue of these financial statements and that are relevant for valuation and measurement as of 30 June 2023 – such as outstanding legal proceedings or claims for damages and other obligations or impending losses that must be recognised or disclosed in accordance with IAS 10 – are included in these Interim Financial Statements.

Statement pursuant to Capital Markets Rule 5.75.3

Period ended 30 June 2023

I confirm that to the best of my knowledge:

a) the condensed consolidated financial statements give a true and fair view of the financial position of the Group as at 30 June 2023, and the financial performance and cash flows for the period then ended, in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34); and

b) the Interim Directors' Report includes a fair review of the information required in terms of Capital Markets Rules 5.81 to 5.84.

Karl Dandler
Chief Financial Officer
01 August 2023