Company Registration Number: C103062

PLAN GROUP P.L.C.
Condensed Consolidated Interim Financial Statements

For the period 1 January 2024 – 30 June 2024

Contents

Interim Directors' Report pursuant to Capital Market Rule 5.75.2

This interim report is published in terms of the Capital Market Rules issued by the Listing Authority and the Prevention of Financial Market Abuse Act 2005. The underlying accounting policies are the same as those adopted by PLAN Group p.l.c (the 'Company') in its published annual report.

The interim financial information included in this report has been extracted from the Company's unaudited accounts for the six months ended 30 June 2024, as approved by the Board of Directors on the 29 August 2024 and are prepared in accordance with IAS 34 'Interim Financial Reporting'.

Principal Activities

The principal activity of PLAN Group p.l.c. is to hold investments in subsidiary companies and to raise financial resources from the capital markets to finance its investments and the property development projects of its subsidiaries. The principal activities of the Group are to acquire, develop and operate Care Homes for the Elderly as well as to acquire, develop and dispose of immovable property and to construct, develop and enter into arrangements with contractors and other service providers in connection with its properties. The directors do not envisage any changes to the company's and group's principal activities in the foreseeable future.

Review of business

Property Development

Works on the various developments progressed well and within the scheduled time frames. The Group continued to sign new preliminary agreements at a steady pace whilst the company signed a number of contracts its various projects were signed during the financial period under review.

The Oaks

The Oaks development in Mosta consists of 21 residential units and was fully complete in 2021. During the current reporting period, the last remaining unit was contracted.

Breezy Village

Breezy Village development in Mellieha consists of 5 residential units. During the current reporting period, the last remaining unit was contracted.

Fgura Development

The Fgura development consists of 28 residential units. By the end of 2023 demolition was 100% completed, whereas excavation works have been completed in Q1 2024. Construction works commenced immediately thereafter and is 30% complete.

Interim Directors' Report pursuant to Capital Market Rule 5.75.2 - continued

Qawra Development

During 2023, one of the Group's subsidiaries acquired land in Qawra. The development consists of 16 residential units. Excavation works were completed by end March 2024 and construction works started in April 2024 and is 40% complete.

Qajjenza Project

During the month of December 2023, the group through one of its subsidiaries acquired land in Qajjenza, Birzebbugia. A planning control application was immediately submitted with the Planning Authority and the company is awaiting its outcome.

Elderly Care Homes

The group, through its subsidiaries, has been operating in the elderly care homes sector since 2019 and currently owns and operates two care homes.

Golden Care

Golden Care is an elderly care home situated in Naxxar, limits of Gharghur. The home consists of 235 beds, spread over 3 storeys. The first residents were welcomed in 2019 and its average occupancy as at 30 June 2024 reached 97%.

Porziuncola by Golden Care

Porziuncola by Golden Care is an elderly care home situated in Bahar ic-Caghaq, limits of Naxxar. The home is spread over 6 storeys and caters for 400 beds. Porziuncola is 100% complete and welcomed its first residents in November 2023. As at 30 June 2024 the elderly care home was 44% occupied.

Bond in issue

On the 8 November 2023, the company published a prospectus in respect of an issue of up to €12,000,000 5.75% Secured Bonds 2028 of a nominal value of €100 per bond and the issue was subscribed in full. The bond was admitted to listing on the Official List of the Malta Stock Exchange on 29 November 2023 and commenced trading immediately thereafter.

Interim Directors' Report pursuant to Capital Market Rule 5.75.2 - continued

Principal risks and uncertainties

Property development

Although the development works of the afore-mentioned projects and the securing of new sales by way of preliminary agreements are progressing as planned, the company is still subject to several financial risk factors including the market, economic, counter-party, credit and liquidity risks amongst others that may affect the projects and their timely completion. Additionally, the directors are monitoring closely inflationary risks resulting from the conflict in Ukraine and the Middle-East. The directors are confident that the company has robust measures in place to mitigate the likely possible effects of inflationary pressures. Where possible, the board provides principles for the overall risk management as well as policies to mitigate these risks in the most prudent way.

Operation of care homes

The group through its subsidiaries provide long-term care, post operative, rehab and respite services as well as dementia services. The group is therefore subject to general risks inherent in the provision of accommodation and care for the elderly persons including, but not limited to, changes in the policies, laws and regulations regulating the sector, staffing challenges to source out the right mix of nurses and healthcare workers and the risk of changes in government policy which will effect the demand for the provision of private elderly care facilities.

Results and dividends

The results for the period ended 30th June 2024 are shown in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 7 and 8. The Group registered a profit for the period after tax amounting to €2,811,926 (January to December 2023 €10,906,254), while the Company registered a profit of €2,727,587 (August 2022 to December 2023 €3,265,454).

The directors do not recommend the payment of a dividend.

Events subsequent to the reporting period

During 2024, the number of residents at Porziunkola by Golden Care continued to increase at a steady and encouraging pace. As at the date of this report the rate of occupancy reached the 75% mark.

Directors

The directors of the Company who held office during the period were:
Paul Attard (Executive Director and Company Secretary)
Edward Grech (Non-Executive Director)
Alfred Attard (Non-Executive Director)
William Wait (Non-Executive Director)

The Company's Articles of Association do not require any directors to retire.
The Company's Secretary is Mr Paul Attard.

Interim Directors' Report pursuant to Capital Market Rule 5.75.2 - continued

Statement of Directors' responsibilities

The directors are required by the Companies Act (Chap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the company at the end of each financial year and of the profit or loss of the company for the year then ended. In preparing the financial statements, the directors should:

- Ensure that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- adopt the going concern basis unless it is inappropriate to presume that the company will continue in business;
- value separately the components of asset and liability items;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Companies Act (Chap. 386). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board of Directors on 29 August 2024 by:

Paul Attard Director	William Wait Director

Registered address:

PLAN Group Head Office,
Triq il-Wirt Naturali,
Bahar ic-Caghaq, Naxxar

Condensed Consolidated Statement of Financial Position

	As at			
	The Group Jan24-Jun24 €	The Group Dec2023 €	**The Company Jan24-Jun24 €**	The Company Aug22-Dec23 €
ASSETS				
Non-current assets				
Tangible assets				
Property, plant and equipment	**32,184,515**	31,489,121	**5,426**	-
Right-of-use assets	**6,928,422**	6,981,923	**-**	-
Investment properties	**8,555,124**	8,621,460	**-**	-
Trade and other receivables	**-**	-	**11,234,854**	12,678,511
Financial assets				
Investments in subsidiaries	**-**	-	**15,429,116**	15,149,116
Investments in associates	**13,861,955**	11,177,056	**13,861,955**	11,177,056
Investments in financial assets	**698,730**	-	**698,730**	-
Deferred taxation	**592,919**	359,343	**-**	-
	62,821,665	58,628,903	**41,230,081**	39,004,683
Current assets				
Inventories	**19,005,297**	18,305,632	**-**	-
Trade and other receivables	**6,146,925**	7,130,434	**3,741,315**	2,995,767
Current taxation	**23,596**	16,613	**-**	-
Cash and cash equivalents	**1,832,771**	1,589,833	**86,052**	3,068
	27,008,589	27,042,512	**3,827,367**	2,998,835
Total assets	**89,830,254**	85,671,415	**45,057,448**	42,003,518
EQUITY AND LIABILITIES				
Capital and reserves				
Issued share capital	**23,060,154**	23,060,154	**23,060,154**	23,060,154
Other reserve	**-**	-	**-**	-
Revaluation reserve	**4,412,942**	4,465,792	**-**	-
Retained earnings	**6,756,836**	3,911,946	**5,993,041**	3,265,454
Shareholders' contribution	**850,000**	850,000	**-**	-
Equity attributable to equity holders of the parent	**35,079,932**	32,287,892	**29,053,195**	26,325,608
Non-controlling interests	**519,603**	499,717	**-**	-
Total equity	**35,599,535**	32,787,609	**29,053,195**	26,325,608

Condensed Consolidated Statement of Financial Position – continued

	As at			
	The Group Jan24-Jun24 €	The Group Dec2023 €	**The Company Jan24-Jun24 €**	The Company Aug22-Dec23 €
Non-current liabilities				
Interest-bearing borrowings	**34,889,266**	32,438,172	**11,719,686**	**11,679,641**
Trade and other payables	**435,769**	394,867	**2,019,183**	**2,019,183**
Lease Liability	**7,485,687**	7,470,183	**-**	**-**
Deferred taxation	**2,386,161**	2,404,658	**-**	**-**
	45,196,883	42,707,880	**13,738,869**	**13,698,824**
Current liabilities				
Interest-bearing borrowings	**1,126,291**	955,444	**-**	**-**
Trade and other payables	**7,732,595**	9,075,272	**2,263,643**	**1,977,345**
Lease liability	**136,500**	130,000	**-**	**-**
Current taxation	**38,450**	15,210	**1,741**	**1,741**
	9,033,836	10,175,926	**2,265,384**	**1,979,086**
Total liabilities	**54,230,719**	52,883,806	**16,004,253**	**15,677,910**
Total equity and liabilities	**89,830,254**	85,671,415	**45,057,448**	**42,003,518**

The financial information on pages 14 to 21 were approved by the Board of Directors and were signed on its behalf by:

Paul Attard
Director

William Wait
Director

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	The Group Jan24-Jun24 €	The Group Dec2023 €	**The Company Jan24-Jun24 €**	The Company Aug22-Dec23 €
Revenue	**5,554,702**	13,112,223	**107,500**	65,000
Cost of Sales	**(3,432,875)**	(7,054,809)	**-**	-
Gross profit	**2,121,827**	6,057,414	**107,500**	65,000
Administrative expenses	**(1,554,963)**	(2,151,173)	**(70,712)**	(66,208)
Operating profit/(loss)	**566,864**	3,906,241	**36,788**	(1,208)
Investment income	**-**	59	**390,000**	160,000
Other income	**-**	21,000	**-**	-
Finance costs	**(544,219)**	(577,464)	**(384,100)**	(153,816)
Share of results of associates	**2,684,899**	3,262,219	**2,684,899**	3,262,219
Profit before income tax	**2,707,544**	6,612,055	**2,637,990**	3,267,195
Income tax	**157,232**	(171,593)	**-**	(1,741)
Profit for the period/year	**2,864,776**	6,440,462	**2,727,587**	3,265,454

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income – continued

	The Group Jan24-Jun24 €	The Group Dec2023 €	**The Company Jan24-Jun24 €**	The Company Aug22-Dec23 €
<u>Other comprehensive income</u>				
Fair value gain on investment properties	-	6,870,450	-	-
Amortisation	**(52,850)**	-	-	-
Income tax decrease relating to components of other comprehensive income	-	(2,404,658)	-	-
Other comprehensive (loss)/income for the financial period/year	**(52,850)**	4,465,792	-	-
Total comprehensive income for the financial period/year	**2,811,926**	10,906,254	**2,727,587**	3,265,454
Profit for the year attributable to:				
Owners of the Company	**2,844,890**	5,935,429	**2,727,587**	3,265,454
Non-controlling interests	**19,886**	505,033	-	-
	2,864,776	6,440,462	**2,727,587**	3,265,454
Total comprehensive income attributable to:				
Owners of the Company	**2,792,040**	10,401,221	**2,727,587**	3,265,454
Non-controlling interests	**19,886**	505,033	-	-
	2,811,926	10,906,254	**2,727,587**	3,265,454

Condensed Consolidated Statement of Changes in Equity

The Group	Attributable to the equity holders of the parent							
	Share capital €	Other reserve €	Revaluation reserve €	Retained earnings €	Shareholders' contribution €	Total €	Non-controlling interests €	Total Equity €
Balance at 1 January 2023	1,200	1,453,360	7,590,006	3,278,467	500,000	**12,823,033**	(5,316)	**12,817,717**
Profit for the year	-	-	-	5,935,429	-	**5,935,429**	505,033	**6,440,462**
Other comprehensive income	-	-	4,465,792	-	-	**4,465,792**	-	**4,465,792**
Total comprehensive income for the financial year	-	-	4,465,792	5,935,429	-	**10,401,221**	505,033	**10,906,254**
Issue of share capital	23,058,954	(1,453,360)	(7,590,006)	(5,301,950)	-	**8,713,638**	-	**8,713,638**
Shareholders' contribution	-	-	-	-	350,000	**350,000**	-	**350,000**
Balance at 31 December 2023	**23,060,154**	**-**	**4,465,792**	**3,911,946**	**850,000**	**32,287,892**	**499,717**	**32,787,609**

Condensed Consolidated Statement of Changes in Equity – continued

The Group

	Attributable to the equity holders of the parent							
	Share capital €	Other reserve €	Revaluation reserve €	Retained earnings €	Shareholders' contribution €	Total €	Non-controlling interests €	Total Equity €
Balance at 1 January 2024	23,060,154	-	4,465,792	3,911,946	850,000	32,287,892	499,717	32,787,609
Profit for the period	-	-	-	2,792,040	-	**2,792,040**	19,886	**2,811,926**
Amortisation release against Revaluation reserve	-	-	(52,850)	52,850	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	(52,850)	2,844,890	-	**2,792,040**	19,886	**2,811,926**
Balance at 30 June 2024	**23,060,154**	**-**	**4,412,942**	**6,756,836**	**850,000**	**35,079,932**	**519,603**	**35,599,535**

Condensed Consolidated Statement of Changes in Equity – continued

The Company	**Share capital €**	**Retained earnings €**	**Total €**
Balance at 26 August 2022	-	-	-
Profit for the period	-	3,265,454	3,265,454
Other comprehensive income	-	-	-
Total comprehensive income for the financial period	-	3,265,454	3,265,454
Issue of share capital	23,060,154	-	23,060,154
Balance at 31 December 2023	**23,060,154**	**3,265,454**	**26,325,608**
Balance at 1 January 2024	23,060,154	3,265,454	26,325,608
Profit for the period	-	2,727,587	2,727,587
Other comprehensive income	-	-	-
Total comprehensive income for the financial period	-	2,727,587	2,727,587
Balance at 30 June 2024	**23,060,154**	**5,993,041**	**29,053,195**

Condensed Consolidated Statement of Cash Flows

	The Group Jan24-Jun24 €	The Group Dec2023 €	**The Company Jan24-Jun24 €**	The Company Aug22-Dec23 €
Operating activities				
Cash used in operating activities	**(1,269,317)**	(4,195,006)	**1,488,768**	**(1,112,899)**
Interest received	**-**	59	**390,000**	**160,000**
Other income	**-**	21,000	**-**	**-**
Interest paid	**(544,219)**	(552,944)	**(384,100)**	**(153,816)**
Tax paid	**(78,583)**	(584,052)	**-**	**-**
Net cash (used in)/generated from operating activities	**(1,892,119)**	(5,310,943)	**1,494,668**	**(1,106,715)**
Investing activities				
Purchase of investment properties	**-**	(868,568)	**-**	**-**
Purchase of property, plant, and equipment	**(1,272,614)**	(12,322,885)	**(6,029)**	**-**
Purchase of investment in subsidiaries	**-**	(5,000)	**(280,000)**	**(5,000)**
Purchase of financial assets	**(698,730)**	-	**(698,730)**	**-**
Net cash used in investing activities	**(1,971,344)**	(13,196,453)	**(984,759)**	**(5,000)**

Condensed Consolidated Statement of Cash Flows – continued

	The Group Jan24-Jun24	The Group Dec2023	**The Company Jan24-Jun24**	The Company Aug22-Dec23
	€	€	**€**	€
Financing activities				
Issue of share capital	-	-	-	**1,200**
Increase in shareholders' contribution	-	350,000	-	-
Net movements in short and long-term borrowings	**2,742,596**	19,265,802	**40,046**	**11,679,641**
Net movement in shareholders' loan	**(640,862)**	2,473,510	**30,776**	**1,820,385**
Net movement in amount due from/to related parties	**2,125,322**	(3,211,186)	**(497,747)**	**(12,386,443)**
Net cash generated from/(used in) financing activities	**4,227,056**	18,878,126	**(426,925)**	**1,114,783**
Movement in cash and cash equivalents	**363,593**	370,730	**82,984**	**3,068**
Cash and cash equivalents at beginning of period/year	**1,463,237**	1,092,507	**3,068**	**-**
Cash and cash equivalents at end of period/year	**1,826,830**	1,463,237	**86,052**	**3,068**

Notes to the Consolidated Financial Statements

1 Incorporation

Plan Group p.l.c., is a limited liability company which is registered in Malta, was incorporated on 26 August 2022 and commenced trading operations as from that date. Accordingly, the separate financial statements comparative figures cover the period from 26 August 2022 to 31 December 2023. The group has been formed during the year ended 31 December 2023.

The company's registered address is situated at PLAN Group Head Office, Triq il-Wirt Naturali, Baħar iċ-Ċagħaq, Naxxar NXR 5232, Malta

2. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

These consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and comply with the Companies Act (Cap.386). The consolidated and separate financial statements have also been prepared in accordance with IFRS Standards adopted by the European Union and therefore the Group consolidated financial statements comply with Article 4 of the EU IAS Consolidated Regulation.

The consolidated and separate financial statements are prepared under the historical cost convention, except for the revaluation of investment properties that are measured at revalued amounts, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

i. Use of estimates and judgements

In preparing the consolidated and separate financial statements, the directors are required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and, if a change is needed, it is accounted for in the year the changes become known. Except for the below, in the opinion of the Board of Directors, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as significant in terms of the requirements of IAS 1 (revised) - 'Presentation of financial statements'.

2. **Accounting policies** – continued

a. **Basis of preparation** – continued

i. **Use of estimates and judgements** – continued

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below.

Fair value of investment properties

The Group and the Company uses the services of professional valuers to revalue the investment properties. The professional valuers take into account the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

- A use that is physically possible, takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property).

- A use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property).

- A use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

The Group and the Company use valuation techniques that include inputs that are not always based on observable market data in order to estimate the fair value of investment properties. This Note also provides detailed information regarding these valuation methods and the key assumptions used in performing such valuations.

However, in the opinion of the Board of Directors, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

2. Accounting policies – continued

b. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value added tax, returns, rebates and discounts. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met as described below.

To determine whether to recognise revenue, the Group follows a 5-step process:

i. Identifying the contract with a customer
ii. Identifying the performance obligations
iii. Determining the transaction price
iv. Allocating the transaction price to the performance obligations
v. Recognising revenue when/as performance obligations are satisfied.

The Group and the Company recognises revenue from the following major sources:

i. Sales of property are recognised when the significant risks and rewards of ownership of the property being sold effectively transferred to the buyer. This is generally considered to occur at the later of the contract of sale and the date when all the company's obligations relating to the property are completed and the possession of the property can be transferred in the manner stipulated by the contract of sale. Amounts received in respect of sales that have not yet been recognised in the financial statements, due to the fact that the significant risks and rewards of ownership still rest with the company, are treated as payments received on account and presented within trade and other payable.
ii. Old people home services are recognised over time when service is provided.
iii. Interest income is recognized as it accrues unless collectability is in doubt.

c. Property, plant and equipment

Property, plant and equipment, comprising land and building, improvement to premises, furniture and fittings and equipment, are initially recorded at cost and are subsequently stated at cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Land and building are subsequently shown at fair value, based on periodic valuations by professional valuers, less subsequent depreciation for building.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

2. **Accounting policies** – continued

c. **Property, plant and equipment** - continued

Depreciation is calculated on the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

- Buildings	1.50%
- Improvement to premises	5.00%
- Furniture and fittings	10.00%
- Equipment	7.50% - 20.00%

Freehold land is not depreciated as it is deemed to have an indefinite useful life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount, and are taken into account in determining operating profit.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount (Accounting policy (j)).

d. **Leases**

The Group as lessee

The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

2. Accounting policies – continued

d. Leases – continued

The Group as lessee – continued

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line in the consolidated and separate statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses

2. Accounting policies – continued

d. Leases – continued

The Group as lessee – continued

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated and separate statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or nuclease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2. **Accounting policies** – continued

e. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties are recognized as an asset when it is probable that the future economic benefits that are associated with the investment properties will flow to the entity and the cost can be measured reliably.

Investment properties are initially measured at cost, including transaction costs, less impairment losses. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in fair values of investment properties are included in profit and loss in the period in which they arise, including the corresponding tax effect. Fair values are determined by a professionally qualified architect on the basis of market values.

Investment properties are derecognized either when they have been disposed of (i.e. at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit and loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment properties is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Transfers are made to or from investment properties only when there is a change in use. For transfers from inventory to investment properties at fair value, any difference between the fair value at the date of the transfer and its previous carrying amount should be recognised in profit or loss. For transfers from investment property carried at fair value to inventory the fair value at the change of use is the 'cost' of the property under its new classification.

f. Inventories

Inventory represent property held for resale, inventory held for resale, consumables and works in progress and is measured at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

3. Borrowings

By virtue of a prospectus dated 8 November 2023, PLAN GROUP P.L.C. (the issuer) issued €12,000,000 secured bonds with a face value of €100 each. The bonds have a coupon interest of 5.75% which is payable annually on 23 November of each year. The bonds are redeemable at par and are due for redemption on 23 November 2028, unless they are previously re-purchased. The bonds are guaranteed by Plan (BBG) Limited, which has bound itself for the payment of the bonds and interest thereon, pursuant to and subject to the terms and conditions in the Prospectus. The bonds have been admitted to the Stock exchange on 29 November 2023. The quoted market price as at 31 December 2023 for the bonds was €101. In the opinion of the directors, this market price fairly represent the fair value of these financial liabilities.

4. Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Related party accounts are carried at cost, net of any impairment charge.

During the course of the period ended 30 June 2024, the Company entered into transactions with related parties, all of which arose in the ordinary course of business.

5. Financial risk management

The group and the company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2023.

Directors' statement pursuant to Capital Market Rule 5.75.3

The directors confirm that to the best of their knowledge:

- The condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2024, and of its financial performance and its cash flows for the six-month period then ended 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 Interim Directors' report includes a fair review of the information required in terms of Capital Market Rules 5.81- 5.84

Paul Attard
Director

William Wait
Director