

9HCapital p.l.c.

C 57419

Unaudited Interim Condensed Consolidated Financial
Statements

30 June 2024

9HCapital p.l.c.

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Directors' report

Pursuant to Prospects MTF Rules 4.11.12 for the period 1 January to 30 June 2024

This Half-Yearly Report is being published in terms of the Prospects MTF Rules issued by the Malta Stock Exchange and the Prevention of Financial Markets Abuse Act, 2005. The Half-Yearly Report comprises the reviewed (not audited) condensed consolidated interim financial statements for the six months ended 30 June 2024 prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed consolidated interim financial statements have not been audited by the Group's independent auditor in line with Prospects MTF Rules 4.11.12.

The comparative Statement of Financial Position for 9H Capital p.l.c (the "Company") has been extracted from the audited financial statements for the year ended 31 December 2023, whilst the comparative Statement of Financial Position for the group has been extracted from management accounts as the group, which comprises the Company and its subsidiaries (the "Group") availed of the exemption from drawing up consolidated financial statements for the year ended 31 December 2023 in terms of Section 173 of the Companies Act, (Cap 386).

Principal activity

Following a corporate restructuring undertaken during the first half of 2024, the Company has transferred its operations to one of its subsidiaries, 9HDigital Ltd. Following this, the Company will continue to operate as a finance and holding company.

Consequently, the principal activity of the Company is to act as a finance company for the Group.

The principal activity of the Group is to provide digital marketing services through the integration of creative approaches, cutting-edge technology, and augmented services.

The Company and its subsidiaries, 9HDigital Ltd, Onest Market Intelligence Limited, Ginger Media Ltd and Anchovy. Digital Ltd. form the Group. The Company also owns 50% of TAYB Creative Digital LLC.

Performance review

The Company

The Company generated a profit before tax of EUR2,500 (2023: EUR43,363).

The Group

The Group's interim condensed consolidated statement of comprehensive income is set out on page 5. During the period, the Group generated a profit before tax of EUR189,402 (2023: EUR32,614).

In the first half of the year, the Group saw significant revenue growth, largely due to its expanded presence outside Malta, particularly in Saudi Arabia. The tech department achieved a 76% client retention rate, aided by new business acquisition and enhanced solutions that deepened client relationships and increased billings. The platform was also strengthened, allowing for broader service offerings, which positively impacted the mid-year financials. Additionally, the Group refined its growth strategy by segmenting the business into three categories: new logos, cross-selling, and up-selling, leading to more targeted and sustained growth.

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Directors' report - continued

Directors

The names of the Directors of the Company who held office during the year to date are:

Benjamin Borg

Zachary Borg

Christopher Mifsud

James Abela

Joseph Sultana

Matthew Sammut

Etienne Borg Cardona

The Board meets on a regular basis to discuss performance, position and other matters.

Dividends

The Directors do not recommend the payment of an interim dividend.

Approved by the Board of Directors and signed on its behalf by:



Benjamin Borg



James Abela

Date: 29 August 2024

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Directors' statement

We hereby confirm that to the best of our knowledge:

- a) The condensed half-yearly report, including the condensed interim financial statements (separate and consolidated) gives a true and fair view of the financial position of the Group and Company 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 (IAS 34 *Interim Financial Reporting*);
- b) The Interim Directors' report includes a fair review of the information required in term of Prospects MTF Rules 4.11.12.

Approved by the Board of Directors and signed on its behalf by:



Benjamin Borg

Date: 29 August 2024



James Abela

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Interim condensed consolidated statement of comprehensive income

	Notes	The Group		The Company	
		From 01/01/2024 to 30/06/2024 (unaudited) EUR	From 01/01/2023 to 30/06/2023 (unaudited) EUR	From 01/01/2024 to 30/06/2024 (unaudited) EUR	From 01/01/2023 to 30/06/2023 (unaudited) EUR
Revenue	3	2,029,085	1,110,214	50,170	1,100,592
Administrative and other operating expenses	4	(1,812,057)	(1,050,100)	(50,170)	(1,029,729)
Operating profit		217,028	60,114	-	70,863
Loss on joint venture		(126)	-	-	-
Finance income		-	-	30,000	-
Finance costs		(27,500)	(27,500)	(27,500)	(27,500)
Profit before tax		189,402	32,614	2,500	43,363
Income tax expense		(81,534)	(15,177)	-	(15,177)
Total comprehensive income for the period		107,868	17,437	2,500	28,186
Attributable to:					
Equity holders of the company		111,539	22,174	2,500	28,186
Non-controlling interests		(3,671)	(4,737)	-	-
		107,868	17,437	2,500	28,186

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Interim condensed consolidated statement of financial position

		The Group		The Company	
	Notes	As at 30/06/2024 (unaudited) EUR	As at 31/12/2023 (unaudited) EUR	As at 30/06/2024 (unaudited) EUR	As at 31/12/2023 (audited) EUR
ASSETS					
Non-current assets					
Property, plant and equipment	5	47,558	61,859	-	15,639
Right of use asset	6	412,568	434,379	-	434,379
Intangible assets	7	101,484	98,689	6,912	30,778
Investments in subsidiaries		-	-	72,948	72,948
Investment in joint venture	8	-	-	12,207	12,081
Deferred tax asset		6,906	-	6,906	-
		568,516	594,927	98,973	565,825
Current assets					
Trade and other receivables		1,519,144	1,340,029	904,961	1,048,762
Current tax asset		31,126	100,138	17,339	5,465
Cash and cash equivalents		613,105	750,857	471,286	592,254
		2,163,375	2,191,024	1,393,586	1,646,481
TOTAL ASSETS		2,731,891	2,785,951	1,492,559	2,212,306

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Interim condensed consolidated statement of financial position – continued

		The Group		The Company	
	Notes	30/06/2024 (unaudited) EUR	31/12/2023 (unaudited) EUR	30/06/2024 (unaudited) EUR	31/12/2023 (audited) EUR
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		23,968	23,968	23,968	23,968
Retained earnings		302,705	191,166	322,234	319,734
Equity attributable to the owners of the parent		326,673	215,134	346,202	343,702
Non-controlling interests		(102,894)	(99,223)	-	-
Total equity		223,779	115,911	346,202	343,702
Non-current liabilities					
Deferred tax liability		-	5,045	-	5,045
Borrowings	9	990,952	989,372	990,952	989,372
Lease liability	6	361,508	382,525	-	382,525
		1,352,460	1,376,942	990,952	1,376,942
Current liabilities					
Borrowings		3,937	3,669	3,937	3,669
Trade and other payables		1,107,450	1,242,951	151,468	441,515
Lease liability	6	44,265	46,478	-	46,478
		1,155,653	1,293,098	155,405	491,662
Total liabilities		2,508,112	2,670,040	1,146,357	1,868,604
TOTAL EQUITY AND LIABILITIES		2,731,891	2,785,951	1,492,559	2,212,306

The notes on pages 11 to 15 form part of these financial statements.

These condensed interim financial statements (unaudited) on pages 5 to 15 were approved and authorised for issue by the directors, on 29 August 2024 and signed by:

Benji Borg

Benjamin Borg

James Abela

James Abela

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Interim condensed consolidated statement of changes in equity - Group

	Share Capital EUR	Retained earnings EUR	Non- controlling interest EUR	Total EUR
Balance as at 1 January 2024	23,968	191,166	(99,223)	115,911
Profit/(loss) for the period	-	111,539	(3,671)	107,868
Balance as at 30 June 2024 (unaudited)	23,968	302,705	(102,894)	223,779
Balance as at 1 January 2023	11,984	18,369	(92,305)	(61,952)
Profit/(loss) for the period	-	22,174	(4,737)	17,437
Balance as at 30 June 2023 (unaudited)	11,984	40,543	(97,042)	(44,515)

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Interim condensed consolidated statement of changes in equity - Company

	Share capital EUR	Retained earnings EUR	Total EUR
Balance as at 1 January 2024	23,968	319,734	343,702
Profit/(loss) for the period	-	2,500	2,500
Balance as at 30 June 2024 (unaudited)	23,968	322,234	346,202
Balance as at 1 January 2023	11,984	242,036	254,020
Profit/(loss) for the period	-	28,186	28,186
Balance as at 30 June 2023 (unaudited)	11,984	270,222	282,206

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Interim condensed consolidated statement of cash flows

	The Group		The Company	
	From 01/01/2024 to 30/06/2024 (unaudited) EUR	From 01/01/2023 to 30/06/2023 (unaudited) EUR	From 01/01/2024 to 30/06/2024 (unaudited) EUR	From 01/01/2023 to 30/06/2023 (unaudited) EUR
Cash flows from operating activities				
Operating profit	217,028	60,114	-	70,863
Adjustments for:				
Depreciation	35,424	16,861	802	14,709
Finance income	1,580	-	-	-
Bad debts written off	3,155	-	3,155	-
Loss on disposal	9,167	-	1,580	1,580
Movement on exchange	(126)	-	(126)	-
Operating profit before working capital movement	266,228	76,975	5,411	87,152
Movement in trade and other receivables	(182,268)	550,541	184,724	426,922
Movement in trade and other payables	(135,501)	(469,639)	(290,046)	(446,110)
Income taxes paid	(24,473)	(4,472)	(23,825)	(3,096)
Interest (paid)/received	(26,241)	(25,413)	2,500	(27,500)
<i>Net cash flows (used in)/from operating activities</i>	(102,255)	127,992	(121,236)	37,368
Cash flows from investing activities				
Purchase of property, plant and equipment	(7,907)	(4,326)	-	(5,999)
Expenditure on intangible assets	(3,369)	-	-	3,673
<i>Net cash flows (used in)/from investing activities</i>	(11,276)	(4,326)	-	(2,326)
Cash flows from financing activities				
Repayment of lease liabilities	(24,489)	(11,184)	-	(10,677)
Movement in borrowings	268	(54,902)	268	(2,142)
<i>Net cash flows (used in)/from financing activities</i>	(24,221)	(66,086)	268	(12,819)
Net movement in cash and cash equivalents	(137,752)	57,580	(120,968)	22,223
Cash and cash equivalents at the beginning of the period	750,857	748,898	592,254	744,733
Cash and cash equivalents at the end of the period	613,105	806,478	471,286	766,956

9HCapital p.l.c.

Notes to the interim condensed consolidated financial statements

1. Company's information and activities

9HCapital p.l.c. is a public limited liability company and is incorporated in Malta.

The principal activity of the Company, which has been changed from last year, is to operate as a finance and holding company for the 9H Group.

2.1 Basis of preparation and statement of compliance

The interim condensed separate and consolidated financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union and have been reviewed in accordance with ISRE 2410, 'Review of financial information performed by the independent auditor of the entity'. The comparative amounts reflect the separate and consolidated position of the Company as included in the audited financial statements for the year ended 31 December 2023 and the unaudited results for the period ended 30 June 2023, as applicable.

The interim condensed separate and 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 Company's financial statements as at 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The comparative Statement of Financial Position for the Group has been extracted from management accounts as the Group availed of the exemption from drawing up consolidated financial statements for the year ended 31 December 2023 in terms of Section 173 of the Companies Act, (Cap 386).

2.2 Going concern assumption

As at 30 June 2024, the Group's current assets exceeded current liabilities by EUR1,007,723 (31 December 2023: current assets exceeded current liabilities by EUR897,926).

The directors have assessed the appropriateness of the going concern basis by reviewing cash forecasts prepared by management. These projections indicate that the Group will have sufficient resources to meet its obligations as they fall due. The shareholders have furthermore confirmed their commitment to support the Group financially or otherwise should this be required.

At the time of approving these interim condensed financial statements, the Directors have determined that there is a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements.

2.3. New standards, interpretations and amendments adopted by the Group and Company

Standards, interpretations, and amendments to published standards effective during the reporting period

There are no accounting pronouncements which have become effective from 1 January 2024 that have a significant impact on the interim condensed consolidated financial statements of the Group and the Company.

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Notes to the interim condensed financial statements – continued

2.4. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to direct the relevant activities that significantly affect the subsidiary's returns. In assessing control, there should also be exposure, or rights, to variable returns from its involvement with the subsidiary and the ability of the Group to use its powers over the subsidiary to affect the amount of the Group's returns. The financial statements of the subsidiary companies are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been amended where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interest even if doing so causes the non-controlling interests to have a deficit balance.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the holding company's owners' equity therein. Non-controlling interests in the profit or loss of consolidated subsidiaries are also disclosed separately.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing these consolidated financial statements.

3. Revenue

	The Group		The Company	
	From	From	From	From
	01/01/2024 to	01/01/2023 to	01/01/2024 to	01/01/2023 to
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	EUR	EUR	EUR	EUR
Operating revenue	2,027,222	1,094,457	-	1,083,562
Recharge income	-	-	50,170	-
Other income	1,863	15,757	-	17,030
	<u>2,029,085</u>	<u>1,110,214</u>	<u>50,170</u>	<u>1,100,592</u>

4. Administrative and other operating expenses

	The Group		The Company	
	From	From	From	From
	01/01/2024 to	01/01/2023 to	01/01/2024 to	01/01/2023 to
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	EUR	EUR	EUR	EUR
Personnel expenses	1,342,147	740,299	22,000	734,012
Depreciation	35,424	16,861	802	14,709
Other operating expenses	434,486	292,940	27,368	281,008
	<u>1,812,057</u>	<u>1,050,100</u>	<u>50,170</u>	<u>1,029,729</u>

Notes to the interim condensed financial statements – continued

5. Property, plant and equipment

During the period ended 30 June 2024, the Group acquired property, plant and equipment with a cost of EUR7,907 (2023: EUR4,326).

The Group disposed of an asset having a net book value of EUR9,167 during the six months ended 30 June 2024. There were no assets disposed of by the Group during the six months ended 30 June 2023.

6. Operating leases

On the 13th October 2023, the Company signed a new lease agreement for a 10-year period, with effect from 15th December 2023. Details about this lease agreement are included in the financial statements of the Company as at 31 December 2023. In 2024, this lease was transferred from 9HCapital p.l.c. to 9HDigital Limited at no consideration.

7. Intangible assets

During the period ended 30 June 2024, the Group capitalised expenditure incurred on the development of new software amounting to EUR3,369 (2023: nil).

8. Investment in joint venture

	The Group		The Company	
	30/06/2024 (unaudited) EUR	31/12/2023 (unaudited) EUR	30/06/2024 (unaudited) EUR	31/12/2023 (audited) EUR
Opening net book amount	-	-	12,081	-
Additions	-	12,081	-	12,081
Share of profit/(loss) on joint venture	(126)	(12,081)	-	-
Currency movement	126	-	126	-
	<u>-</u>	<u>-</u>	<u>12,207</u>	<u>12,081</u>

The Company's and Group's share of the results of the joint venture and its share of the assets and liabilities are as follows:

	Assets EUR	Liabilities EUR	Loss EUR
Period ended 30 June 2024			
TAYB Creative Digital LLC	<u>173,512</u>	<u>268,204</u>	<u>(57,776)</u>

Notes to the interim condensed financial statements – continued

8. Investment in joint venture - continued

The joint venture as at 30 June 2024 is shown below:

Name	Registered office	Percentage and class of shares held	Nature of business
TAYB Creative Digital LLC	Central Region, Riyadh City, Kingdom of Saudi Arabia	50% Ordinary Shares	Digital marketing services

9. Borrowings

	The Group		The Company	
	30/06/2024 (unaudited) EUR	31/12/2023 (unaudited) EUR	30/06/2024 (unaudited) EUR	31/12/2023 (audited) EUR
Non-current:				
1,000,000 5.5% bonds	990,952	989,372	990,952	989,372
Current:				
Bank overdraft	3,937	3,669	3,937	3,669

10. Related party disclosures

During the course of the period, the Group and the Company entered into transactions with related parties as set out below. Other related parties are entities having the same ultimate parent.

	The Group		The Company	
	01/01/2024 to 30/06/2024 EUR	01/01/2023 to 30/06/2023 EUR	01/01/2024 to 30/06/2024 EUR	01/01/2023 to 30/06/2023 EUR
Revenue				
<i>Related party transactions with:</i>				
- Subsidiaries	-	-	80,170	4,415
- Other related parties	17,008	37,225	10,741	37,224
	30/06/2024 EUR	31/12/2023 EUR	30/06/2024 EUR	31/12/2023 EUR
Loans/advances to				
<i>Related party balances with:</i>				
- Subsidiaries	-	-	340,848	325,723
- Parent	61,004	61,004	61,004	61,004
- Other related parties	-	-	-	9,668
Loans/advances from				
<i>Related party balances with:</i>				
- Other related parties	-	-	-	47,183
- Jointly controlled entity	49,080	12,081	49,080	12,081

Notes to the interim condensed financial statements – continued

11. Contingent liabilities

No events occurred since 31 December 2023 that require disclosure of any contingent liabilities as at 30 June 2024.

Signature Certificate

Reference number: U6WHB-YVXS-FWOUZG-KYZCX

Signer

Timestamp

Signature

James Abela

Email: james.abela@9hcapital.com

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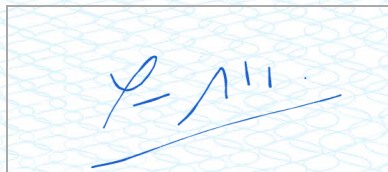
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