



PTL Holdings p.l.c

**Interim Financial Report (Unaudited)
For the period 1 January 2016 to 30 June 2016**



PTL Holdings p.l.c.

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PTL Holdings p.l.c.

Interim Directors' Report Pursuant to Listing Rules 5.75.2
Period ended 30 June 2016

The directors present their interim report, together with the unaudited interim condensed financial statements (the “condensed interim financial statements”) of the company and its subsidiaries (the “group”) for the period from 1 January 2016 to 30 June 2016.

Principal activities

The group is engaged in the sale and distribution of Apple Products as an Apple Premium Reseller, as well as the sale, maintenance and servicing of information technology solutions, security systems and provides electronic payment solutions.

The company acts as an investment company and service provider to its subsidiary undertakings.

Business review

The group

During the period under review, the Group registered an operating loss of *Eur247,038* (June 2015 operating profit – *Eur2,648,357*) on revenue of *Eur40,646,042* (June 2015 – *Eur77,317,905*).

After accounting for finance costs and investment results, the Group registered a pre-tax loss of *Eur1,528,385* (June 2015 – pre-tax profit of *Eur1,417,317*).

The group's net assets at June 2016 amounted to *Eur4,775,980* compared to *Eur6,591,640* as at 31 December 2015.

Our outlook on the performance of the companies within PTL Holdings is that we expect results to improve in the second half of the year.

The Company

During the period under review, the company registered an operating profit of *Eur166,624* (June 2015 – Loss of *Eur 243,703*).

After accounting for finance costs, the company registered a pre-tax profit of *Eur57,742* (June 2015 – pre-tax loss of *Eur238,350*).

The net assets of the company as at June 2016 amounted to *Eur8,707,416* (December 2015 – *Eur8,669,883*)


PTL Holdings p.l.c.

**Interim Directors' Report Pursuant to Listing Rules 5.75.2 (continued)
For the period ended 30 June 2016**

The published figures have been extracted from the unaudited management financial statements for the six months ended 30 June 2016 and its comparative period in 2015.

This report is being published in terms of the Listing Rule 5.75 issued by the Malta Financial Services Authority, and has been prepared in accordance with the applicable listing Rules and International Accounting Standard 34 – *Interim Financial Reporting*. The financial statements published in this half year report have been condensed in accordance with the requirements of IAS 34. In terms of the Listing Rule 5.75.5, the Directors are stating that these condensed financial statements have not been audited or reviewed by the company's independent auditors.

Approved by the board of directors on 31st August 2016 and signed on its behalf by:



Carmelo (sive) Melo Hili
Chairman



Steve Tarr
Director

PTL Holdings p.l.c.

Condensed Statements of Profit and Loss and other Comprehensive Income.

Period ended 30 June 2016.

| | Group | | Company | |
|------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 1 January to 30 June 2016 | 1 January to 30 June 2015 | 1 January to 30 June 2016 | 1 January to 30 June 2015 |
| | Unaudited € | Unaudited € | Unaudited € | Unaudited € |
| Revenue | 40,646,042 | 77,317,905 | 300,000 | - |
| Cost of Sales | (36,765,299) | (71,103,439) | - | - |
| Gross Profit | 3,880,743 | 6,214,466 | 300,000 | - |
| Administrative Expenses | (4,127,782) | (3,566,109) | (133,376) | (243,703) |
| Operating Profit/(Loss) | (247,039) | 2,648,357 | 166,624 | (243,703) |
| Finance Costs | (1,288,823) | (1,156,056) | (108,882) | 5,353 |
| Share of profits/(losses) of associates and joint ventures | 7,476 | (74,984) | - | - |
| Profit/(Loss) before tax | (1,528,386) | 1,417,317 | 57,742 | (238,350) |
| Income tax expense | 58,377 | (420,552) | (20,210) | 41,205 |
| Profit/(Loss) for the period | (1,470,009) | 996,765 | 37,532 | (197,145) |
| Total comprehensive income for the period net of tax | (1,470,009) | 996,765 | 37,532 | (197,145) |
| Total comprehensive income attributable to: | | | | |
| Owners of the company | (1,468,636) | 995,585 | | |
| Non-Controlling interests | (1,373) | 1,180 | | |
| | (1,470,009) | 996,765 | | |

PTL Holdings p.l.c.

Condensed Statements of Financial Position As at 30 June 2016

| | Group | | Company | |
|-------------------------------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
| | 30 June 2016 Unaudited € | 31 December 2015 Audited € | 30 June 2016 Unaudited € | 31 December 2015 Audited € |
| Non-current Assets | | | | |
| Goodwill | 29,122,297 | 29,122,297 | - | - |
| Intangible assets | 11,785,553 | 11,830,464 | 19,400 | - |
| Property, plant and equipment | 4,694,992 | 4,422,851 | - | - |
| Investments in Subsidiaries | - | - | 4,399,723 | 4,399,723 |
| Investments in associates | 360,552 | 345,204 | - | - |
| Investments in jointly controlled entity | 20,594 | 7,207 | - | - |
| Loans and receivables | 624,381 | 1,020,496 | 41,481,588 | 36,950,115 |
| Deferred tax assets | 869,433 | 678,294 | - | - |
| | <u>47,477,802</u> | <u>47,426,813</u> | <u>45,900,711</u> | <u>41,349,838</u> |
| Current Assets | | | | |
| Inventories | 8,549,751 | 9,019,844 | - | - |
| Loans and receivables | 4,183,005 | 3,308,255 | - | 5,245,254 |
| Trade and other receivables | 7,725,842 | 8,499,966 | 300,967 | 600,000 |
| Cash and cash equivalents | 858,376 | 2,088,866 | 28,345 | 4,204 |
| Current tax assets | 178,237 | 199,637 | - | - |
| | <u>21,495,211</u> | <u>23,116,568</u> | <u>329,312</u> | <u>5,849,458</u> |
| Total Assets | <u>68,973,013</u> | <u>70,543,381</u> | <u>46,230,023</u> | <u>47,199,296</u> |
| Current Liabilities | | | | |
| Trade and other payables | 11,901,501 | 17,317,234 | 64,675 | 202,557 |
| Other financial liabilities | 4,327,240 | 651,454 | 1,100,031 | 2,971,937 |
| Bank overdraft and loans | 3,470,311 | 1,490,679 | - | - |
| Current tax liability | 46,916 | 161,898 | - | - |
| | <u>19,745,968</u> | <u>19,621,265</u> | <u>1,164,706</u> | <u>3,174,494</u> |
| Non-current Liabilities | | | | |
| Debt securities in issue | 35,313,289 | 35,272,734 | 35,313,289 | 35,272,734 |
| Trade and other payables | 628,464 | 532,515 | - | - |
| Other Financial Liabilities | - | - | 1,024,402 | 82,185 |
| Liabilities in respect of jointly controlled entities | 237,408 | 237,408 | - | - |
| Bank overdraft and loans | 8,052,440 | 7,931,764 | - | - |
| Deferred tax liabilities | 219,464 | 356,055 | 20,210 | - |
| | <u>44,451,065</u> | <u>44,330,476</u> | <u>36,357,901</u> | <u>35,354,919</u> |
| Total Liabilities | <u>64,197,033</u> | <u>63,951,741</u> | <u>37,522,607</u> | <u>38,529,413</u> |
| Net Assets | <u>4,775,980</u> | <u>6,591,640</u> | <u>8,707,416</u> | <u>8,669,883</u> |

PTL Holdings p.l.c.

Condensed Statements of Financial Position (Continued) As at 30 June 2016

| | Group | | Company | |
|----------------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
| | 30 June 2016 Unaudited € | 31 December 2015 Audited € | 30 June 2016 Unaudited € | 31 December 2015 Audited € |
| Equity | | | | |
| Ordinary share capital | 8,399,724 | 8,399,724 | 8,399,724 | 8,399,724 |
| Exchange reserve | (255,078) | 89,200 | - | - |
| Retained earnings/(Accumulated Losses) | (2,025,353) | (555,344) | 307,692 | 270,159 |
| Other equity | (1,367,314) | (1,367,314) | - | - |
| Non Controlling Interests | 24,001 | 25,374 | - | - |
| | <u>4,775,980</u> | <u>6,591,640</u> | <u>8,707,416</u> | <u>8,669,883</u> |

PTL Holdings p.l.c.
Condensed Statements of Changes in Equity
for the period ended 30 June 2016

The Group

| | Share capital € | Other equity € | Exchange reserve € | (Accumulated Losses)/ Retained earnings € | Attributable to equity holders of parent € | Non-controlling interests € | Total € |
|-------------------------------------------------------------------|--------------------|--------------------|-----------------------|-------------------------------------------------|-----------------------------------------------|--------------------------------|------------------|
| Balance as at 1 January 2015 | 8,399,724 | (1,367,314) | (154,145) | (772,384) | 6,105,881 | 26,739 | 6,132,620 |
| Profit and other comprehensive income for the period | - | - | - | 995,584 | 995,584 | 1,180 | 996,765 |
| Exchange differences arising on translation of foreign operations | - | - | (134,620) | - | (134,620) | - | (134,620) |
| Net movement in other equity | - | 839,126 | - | - | 839,126 | - | 839,126 |
| Balance as at 30 June 2015 | 8,399,724 | (528,188) | (288,765) | 223,200 | 7,805,971 | 27,919 | 7,833,891 |
| Balance as at 1 January 2016 | 8,399,724 | (1,367,314) | 89,200 | (555,344) | 6,566,266 | 25,374 | 6,591,640 |
| Loss for the period | - | - | - | (1,470,009) | (1,470,009) | (1,373) | (1,471,382) |
| Exchange differences arising on translation of foreign operations | - | - | (344,278) | - | (344,278) | - | (344,278) |
| Balance as at 30 June 2016 | 8,399,724 | (1,367,314) | (255,078) | (2,025,353) | 4,751,979 | 24,001 | 4,775,980 |



PTL Holdings p.l.c.

Condensed statements of Changes in Equity

For the period ended 30 June 2016

| The Company | Share capital € | Retained earnings € | Total € |
|----------------------------------------------------------|-----------------------|---------------------------|------------------|
| Balance as at 1 January 2015 | 8,399,724 | 16,141 | 8,415,865 |
| Loss and other comprehensive expense for the period | - | (178,085) | (178,085) |
| Balance as at 30 June 2015 | <u>8,399,724</u> | <u>(161,944)</u> | <u>8,237,780</u> |
| Balance at 1 January 2016 | 8,399,724 | 270,160 | 8,669,884 |
| Profit and other comprehensive expense for the period | - | 37,533 | 37,533 |
| Balance at 30 June 2016 | <u>8,399,724</u> | <u>307,693</u> | <u>8,707,417</u> |



PTL Holdings p.l.c.
Condensed Statements of Cash Flows
 For the period ended 30 June 2016

| | Group | | Company | |
|-----------------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 1 January to 30 June 2016 | 1 January to 30 June 2015 | 1 January to 30 June 2016 | 1 January to 30 June 2015 |
| | Unaudited € | Unaudited € | Unaudited € | Unaudited € |
| Net Cash flows (used in)/ generated from operating activities | (3,243,153) | (2,976,591) | 16,772 | (427,620) |
| Net Cash flows (used in)/ generated from investing activities | (724,562) | (4,893,033) | 0 | (397,000) |
| Net Cash flows (used in)/ generated from financing activities | <u>62,579</u> | <u>(1,185,917)</u> | <u>5,715</u> | <u>(2,788,704)</u> |
| Net movement in cash and cash equivalents | (3,905,136) | (9,055,541) | 22,487 | (3,613,324) |
| Cash and cash equivalents at the beginning of the period | 2,009,688 | 8,005,977 | 4,204 | 3,696,414 |
| Cash and cash equivalents at the end of the period | <u>(1,895,448)</u> | <u>(1,049,564)</u> | <u>26,691</u> | <u>83,090</u> |

The Group has credit bank facilities of €3 million issued by reputable commercial banking institutions.

PTL Holdings p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2016

1. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2016 have been extracted from the unaudited management accounts of the Group and the Company and have been prepared in accordance with IAS 34 – *Interim Financial Reporting*.

2. Significant accounting policies

The condensed interim financial statements have been prepared under the historic cost convention, except for the financial instruments at fair value through profit or loss and available for sale financial assets which are stated at their fair values. The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the group's and company's annual financial statements for the year ended 31 December 2015.

3. Segmental reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Revenue reported below represents revenue generated from external customers. There were no intersegment sales in the year. The group's reportable segments under IFRS 8 are direct sales attributable to each line of business.

The group operated in two principal geographical areas -Malta (country of domicile) and Poland. The sale of payment processing services and the provision of IT solutions and security systems are derived from Malta.

Measurement of operating segment profit or loss, assets and liabilities

Segment profit represents the profit earned by each segment after allocation of central administration costs and finance costs based on services and finance provided. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the reportable segments are the same as the group's accounting policies.

PTL Holdings p.l.c.
Notes to the condensed interim financial statements
For the period ended 30 June 2016

3. Segmental reporting (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to consolidated totals are reported below:

| Group | 1 January to 30 June 2016 Unaudited € | 1 January to 30 June 2015 Unaudited € |
|--------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Total profit for reportable segment | 30,328 | 2,836,286 |
| Elimination of intragroup profits unallocated amounts: | | |
| Other unallocated amounts | <u>(1,558,713)</u> | <u>(1,418,969)</u> |
| | <u>(1,528,385)</u> | <u>1,417,317</u> |
| | 30 June 2016 Unaudited € | 31 December 2015 Audited € |
| Assets | | |
| Total Assets for reportable segments | 32,595,833 | 33,377,325 |
| Elimination of receivables | (91,081,706) | (91,869,743) |
| <u>Unallocated amounts:</u> | | |
| Property, plant and equipment | 46,775 | 14,976 |
| Goodwill | 29,122,298 | 29,122,297 |
| Intangible assets | 11,720,431 | 11,830,464 |
| Loans and receivables | 86,033,902 | 87,732,185 |
| Cash and Cash equivalents | 49,108 | 39,355 |
| Other unallocated amounts | <u>486,372</u> | <u>296,522</u> |
| | <u>68,973,013</u> | <u>70,543,381</u> |
| Liabilities | | |
| Total liabilities for reportable segments | 26,115,524 | 25,061,216 |
| Elimination of liabilities | (91,071,697) | (90,876,608) |
| <u>Unallocated amounts:</u> | | |
| Bank loans | 8,768,928 | 9,422,443 |
| Debt securities | 35,313,289 | 35,272,734 |
| Trade and other payables | 85,052,806 | 84,712,227 |
| Other unallocated amounts | <u>18,183</u> | <u>359,729</u> |
| | <u>64,197,033</u> | <u>63,951,741</u> |

PTL Holdings p.l.c.
Notes to the condensed interim financial statements
For the period ended 30 June 2016

3. Segmental reporting (continued)

The group's revenue and results from continuing operations from external customers and information about its assets and liabilities by reportable segment are detailed below:

| | Retail and IT Solutions (Poland) 2016 € | Payment Processing Services 2016 € | IT Solutions and Security Systems 2016 € | Total 2016 € | Unallocated 2016 € | Eliminations and adjustments 2016 € | Consolidated 2016 € |
|-------------------------------|-----------------------------------------------------|------------------------------------------------|------------------------------------------------------------|--------------------|--------------------------|-------------------------------------------------|---------------------------|
| Six months ended 30 June | | | | | | | |
| Revenue | 36,585,038 | 764,632 | 4,451,781 | 41,801,451 | 533,591 | (1,689,000) | 40,646,042 |
| Profit/(Loss) before tax | 141,903 | 188,170 | (299,745) | 30,328 | (1,558,714) | - | (1,528,386) |
| Depreciation and amortisation | 715,387 | 8,238 | 42,124 | 765,749 | 111,552 | - | 877,301 |
| Segment assets | 24,822,352 | 1,292,196 | 6,481,285 | 32,595,833 | 127,458,886 | (91,081,706) | 68,973,013 |
| Segment Liabilities | 20,135,678 | 117,938 | 5,861,908 | 26,115,524 | 129,153,206 | (91,071,697) | 64,197,033 |
| Income tax expense / (credit) | 95,851 | 65,860 | (104,910) | 56,801 | (115,178) | - | (58,377) |

PTL Holdings p.l.c.
Notes to the condensed interim financial statements
For the period ended 30 June 2016

3. Segmental reporting (continued)

| | Retail and IT Solutions (Poland) | | Payment Processing Services | | IT Solutions and Security Systems | | Total | | Unallocated | | Eliminations and adjustments | | Consolidated | |
|-------------------------------|----------------------------------|---|-----------------------------|---|-----------------------------------|---|------------|---|-------------|---|------------------------------|---------------|--------------|------------|
| | 2015 | € | 2015 | € | 2015 | € | 2015 | € | 2015 | € | 2015 | € | 2015 | € |
| Six months ended 30 June | | | | | | | | | | | | | | |
| Revenue | 70,328,296 | | 641,457 | | 6,926,839 | | 77,896,592 | | - | | | (578,687) | | 77,317,905 |
| Profit/(Loss) before tax | 2,770,657 | | 43,248 | | 22,380 | | 2,836,285 | | (958,516) | | | (460,453) | | 1,417,317 |
| Depreciation and amortisation | 334,783 | | 5,537 | | 71,032 | | 411,352 | | 1,234 | | | 412,585 | | 412,585 |
| Segment assets | 20,048,221 | | 2,589,134 | | 9,497,968 | | 32,135,322 | | 187,222,364 | | | (152,152,360) | | 67,205,327 |
| Segment Liabilities | 8,680,247 | | 1,605,046 | | 8,735,470 | | 19,020,763 | | 112,769,289 | | | (72,418,616) | | 59,371,436 |
| Income tax expense / (credit) | 526,425 | | 22,920 | | 19,417 | | 568,762 | | (989,314) | | | - | | (420,552) |

PTL Holdings p.l.c

Notes to the condensed interim financial statements

For the period ended 30 June 2016

4. Discontinued Operations

Up to the second quarter of 2015, the Polish subsidiary of the Group sold electronic goods across a number of European Countries, generating an additional income of circa Euro34.8 million. However, due to change in VAT regulations at that time, as well as the risks associated with cross border sales of technology items, management decided not to pursue such opportunities any further.

5. Administrative Expenses

The results for June 2016 include six months of management fees payable to Hili Ventures Limited amounting to Euro360,000 per annum

6. Trade and other receivable

The balance of trade and other receivables is made up as follows:

| | 30 June 2016 Unaudited € | 31 December Audited € |
|---------------------------------------|--------------------------------|-----------------------------|
| Trade Receivables | 6,374,785 | 4,511,399 |
| Amounts owed by other related parties | 111,052 | 640,386 |
| Other receivables | 324,150 | 1,873,728 |
| Prepayments and accrued income | 915,855 | 1,474,453 |
| | <u>7,725,842</u> | <u>8,499,966</u> |

7. Trade and other payables

The balance of trade and other payables is made up as follows:

| | 30 June 2016 Unaudited € | 31 December Audited € |
|-------------------------------------------------------------------------------------|--------------------------------|-----------------------------|
| Trade payables | 7,180,084 | 10,508,838 |
| Other payables | 1,959,518 | 3,300,445 |
| Accruals and deferred income | 3,390,363 | 4,040,466 |
| | <u>12,529,965</u> | <u>17,849,749</u> |
| Less: amounts due for settlement within 12 months (shown under current liabilities) | <u>(11,901,501)</u> | <u>(17,317,234)</u> |
| Amounts due for settlement after 12 months | <u>628,464</u> | <u>532,515</u> |

PTL Holdings p.l.c

Notes to the condensed interim financial statements

For the period ended 30 June 2016

8. Related party transactions

During the course of the year, the group and the company entered into transactions with related parties, as set out below:

| | 30 June 2016 | | | 30 June 2015 | |
|-------------------------------------------------------|-----------------------------|---------------------|---------------|-----------------------------|---------------------|
| | Related party activity € | Total Activity € | % | Related party activity € | Total Activity € |
| Revenue: | | | | | |
| Related party transactions with other related parties | <u>227,941</u> | <u>40,646,042</u> | <u>0.56%</u> | <u>146,341</u> | <u>77,317,905</u> |
| Cost of Sales: | | | | | |
| Related party transactions with other related parties | <u>31,417</u> | <u>36,765,299</u> | <u>0.09%</u> | <u>83,849</u> | <u>71,103,439</u> |
| Administrative expenses: | | | | | |
| Related party transactions with other related parties | <u>360,708</u> | <u>3,255,040</u> | <u>11.08%</u> | <u>180,000</u> | <u>3,566,109</u> |

9. Events after the end of the reporting period

There were no significant events after the end of the reporting period.

PTL Holdings p.l.c.

Interim Directors' Report Pursuant to Listing Rules 5.75.2 (continued)
For the period ended 30 June 2016

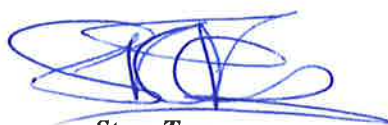
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This report is being published in terms of the Listing Rule 5.75 issued by the Malta Financial Services Authority, and has been prepared in accordance with the applicable listing Rules and International Accounting Standard 34 – *Interim Financial Reporting*. The financial statements published in this half year report have been condensed in accordance with the requirements of IAS 34. In terms of the Listing Rule 5.75.5, the Directors are stating that these condensed financial statements have not been audited or reviewed by the company's independent auditors.

Approved by the board of directors on 31st August 2016 and signed on its behalf by:



Carmelo (sive) Melo Hili
Chairman



Steve Tarr
Director