THE MALL OF CYPRUS (MC) PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2021

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CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Martin Olivier George Mouskides Takis Christodoulou John George Mavrokordatos
Company Secretary:	Montrago Services Limited
Independent Auditors:	Deloitte Limited Certified Public Accountants and Registered Auditors 24 Spyrou Kyprianou Avenue 1075 Nicosia Cyprus
Legal Advisers:	Tassos Papadopoulos & Associates LLC Panayiotis Demetriou & Associates LLC Elias Neocleous & Co LLC Ioannides Demetriou LLC Nicos M. Elia LLC
Registered office:	3 Verginas Street The Mall of Cyprus Strovolos 2025, Nicosia Cyprus
Bankers:	Bank of Cyprus Public Company Ltd Eurobank Cyprus Ltd
Registration number:	HE3941

MANAGEMENT REPORT

The Board of Directors of The Mall of Cyprus (MC) Plc (the "Company") presents to the members its Management Report and audited financial statements of the Company for the year ended 31 December 2021.

Principal activities and nature of operations of the Company
The principal activity of the Company, which is unchanged from last year, is the leasing/granting of rights of use of space of its property, the Shacolas Emporium Park which includes a Shopping Mall, an IKEA store and other building developments for retail/commercial purposes.

Review of current position, and performance of the Company's business
The Company's revenue for the year ended 31 December 2021 was €15.300.635 compared to €15.407.377 for the year ended 31 December 2020. The operating profit of the Company for the year was €19.443.424 (year ended 31 December 2020: €309.985).

The net profit for the year after tax amounted to €14.865.911 (2020: loss after tax €3.602.821).

On 31 December 2021 the total assets of the Company were €217.147.948 (2020: €210.271.588) and the net assets of the Company were €104.569.589 (2020: €89.703.678). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 6 and 7 of the financial statements.

Future developments of the Company
The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future. Future developments, however, are to an extent determinable by the circumstances surrounding the Company’s operating environment, as explained in the relevant section of this Report, further below.

Existence of branches
The Company does not maintain any branches.

Use of financial instruments by the Company
The Company is primarily exposed to interest rate risk, credit risk, liquidity risk and capital risk (notes 6 and 7).

Risk management is carried out by Management and approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles and / or oral for overall risk management, as well as written and /or oral policies covering specific areas, such as interest rate risk, credit risk, and investment of excess liquidity.

Interest rate risk
The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings at fixed rates expose the Company to fair value interest rate risk. All borrowings as at 31 December 2021 are at variable rates.

As at 31 December 2021, the Company's liabilities which bore variable interest rates amounted to €87.588.134. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly. The Company does not apply hedge accounting for cash flow interest rate risk.

Credit risk
Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, contractual cash flows of debt instruments carried at amortised cost, as well as credit exposures to tenants, including outstanding receivables and committed transactions. Credit risk also arises from intragroup guarantee arrangements that the Company participates in.

Credit risk is managed on a group basis. For banks and financial institutions, only those that are highly rated by the Board of Directors are accepted as counterparties. If lessees / users are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the lessees / users, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the lessee / user in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties. Sales to lessees / users are settled in cash or using major credit cards.

As at 31 December 2021 the Company's credit risk arises from trade and other receivables amounting to €1.517.847 (net, after cumulative expected credit losses of €851.650) and bank balances amounting to €5.452.225 (excluding petty cash).

Liquidity risk
Management monitors the current liquidity position of the Company based on expected cash flows and expected revenue receipts. On a long-term basis, liquidity risk is defined based on the expected future cash flows at the time of entering into new credit facilities or loans and based on budgeted forecasts. Management believes that it is successful in managing the Company's liquidity risk.

Capital risk management
The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings minus cash and cash equivalents. Total capital is calculated as ''equity'' as shown in the statement of financial position plus net debt. As at 31 December 2021 the Company's net debt amounted to €82.735.695 (2020: €87.419.876) and total equity of €104.569.589 (2020: €89.703.678) leading to a gearing ratio of 44,17% (2020: 49,36%).

Results
The Company's results for the year are set out on page 12.

Dividends
On 2 March 2022 the Board of Directors approved the payment of an interim dividend amounting to €3.400.000 to its shareholders from the net profit of the year ended 31 December 2021.

Share capital
There were no changes in the share capital of the Company during the year under review.

Operating Environment of the Company and going concern considerations

With the recent and rapid development of the Coronavirus disease (COVID-19) pandemic the world economy entered a period of unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life. Containment measures initiated in year 2020 continue but to a different extent.
Since the initiation of the pandemic, industries such as tourism, hospitality and entertainment have been directly disrupted to a significant extent. Other industries, such as manufacturing and financial services, have also been indirectly affected.

With a view to safeguarding public health and ensuring the economic survival of working people, businesses, vulnerable groups and the economy at large, several rules and regulations have been applied, including targeted lockdown measures, taking into consideration the epidemic status in the country.

The objective of these public policy measures was to contain the spread of COVID-19 outbreak and have resulted in significant operational disruption for the Company especially in 2020, and to a lesser extent in 2021.

The impacts of COVID-19 are reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021. The Company's management has incorporated in its impact assessment the above events, taking into account, among other, the following:

(1) whether any impairment allowances are deemed necessary for the Company's financial assets, lease receivables and financial guarantee contracts, by considering the economic situation and outlook at the end of the reporting period.

(2) the inputs and metrics applied in measuring the fair value of the Company's most significant asset, i.e. its investment property.

Management considers that the unique circumstances that had a material impact on the business operations and the risk exposures of the Company are at a stage of normalisation. During 2021, revenue and profitability have recovered and the assessed fair value of investment property has increased. Concessions to tenants to aid their ability to operate under challenging circumstances have continued during the year, as well as modifications in credit granting and monitoring policies with the aim of maintaining adequate rate and extent of recovery of receivables.
Financial covenants in place with financial institutions are considered as and when required, and the assessment of trading, investing and financing cash flows of the business, on a forward looking basis, applying evolving assumptions and incorporating several scenarios in assessing actual and potential financing needs, is continuous.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty though. High levels of uncertainty currently prevail due to the recent events (from February 2022) of the Russia-Ukraine conflict, which is considered material for the future of the Cyprus economy as a whole. As such, reliable predictions of the final outcomes are not possible, and Management's current expectations and estimates could differ from actual results.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2021 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2021.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Directors' interests in the Company's share capital

The members of the Board of Directors did not control directly or indirectly any part of the share capital of the Company, at 31 December 2021 and as at the date of this report.

Except from the balance and transactions disclosed in Note 28 of the financial statements, there were no other significant contracts with the Company or related companies, in which a Director or related parties has a significant interest.

MANAGEMENT REPORT

Events after the reporting period
Any significant events after the reporting date on the Company are described in note 32 of the financial statements.

Main shareholders and related party transactions
The following shareholders of the Company held directly or indirectly over 5% of the Company's issued share capital:

	28 April 2022 Percentage of shareholding %	31 December 2021 Percentage of shareholding %
Direct shareholder:		
Atterbury Cyprus Limited	99,67	99,67
Indirect shareholders (through their indirect holdings in Atterbury Cyprus Limited):		
RMH Property Holdco 2 (Pty) Ltd (South Africa)	36,43	36,43
Business Venture Investments No 1360 (Pty) Ltd (South Africa)	24,30	24,30
Brightbridge Real Estate Limited	36,43	36,43

By order of the Board of Directors,

Montrago Services Limited
Secretary

MONTRAGO SERVICES LIMITED

Nicosia, 28 April 2022

THE MALL OF CYPRUS (MC) PLC

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the financial statements of The Mall of Cyprus (MC) Plc (the "Company") for the year ended 31 December 2021, on the basis of our knowledge, declare that:

(a) The annual financial statements of the Company which are presented on pages 12 to 63:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law, and

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Company and the entities included in the financial statements as a whole and

b) The management report provides a fair view of the developments and the performance as well as the financial position of the Company as a whole, together with a description of the main risks and uncertainties which they face.

Members of the Board of Directors:

Martin Olivier - Director ....

George Mouskides - Director ....

Takis Christodoulou - Director ....

John George Mavrokordatos - Director ....

Responsible for drafting the financial statements

Antonia Constantinou (Financial Controller) ....

Nicosia, 28 April 2022

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Independent Auditor's Report

To the Members of The Mall of Cyprus (MC) Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Mall of Cyprus (MC) Plc (the "Company"), which are presented in pages 12 to 63 and comprise the statement of financial position as at 31 December 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We remained independent of the Company throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 1 of the financial statements, which describes the environment within which the Company operates as well as to the factors that may have an impact on the Company's future activities, financial position and performance.

Our audit opinion is not modified in respect of this matter.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Independent Auditor's Report (continued)

To the Members of The Mall of Cyprus (MC) Plc

Why the matter was determined to be key audit matter	How the matter was addressed in our audit
Valuation of investment property	
The investment property is reported on the statement of financial position at a revalued amount of €207.800.000 which represents approximately 95% of the Company's total assets. We have considered the valuation of investment property to be a key audit matter, as it requires applying significant judgement and subjectivity, in determining appropriate unobservable inputs and estimates for assessing the fair values such as terminal capitalisation rates, discount rate, fair market rents and yields. The outbreak of COVID-19, which was declared as a "World Pandemic" by the World Health Organization on 11 March 2020, has affected the degree of certainty associated with conducting the valuation assessments. The valuation report by the independent appraisal firm has been prepared on the basis of fair value appraisal uncertainty, as stated in the guidelines of the Royal Institution of Chartered Surveyors (RICS). Refer to Note 4 "Significant accounting policies", Note 7 "Critical accounting estimates, judgements and assumptions" and Note 17 "Investment property" of the accompanying financial statements for further details.	We have performed, amongst others the following audit procedures, in order to address the risks of material misstatement associated with this key audit matter: • Obtained an understanding of the internal controls surrounding the valuation process for investment property and assessed their design and implementation. • Assessed the competence, capabilities, experience, professional qualifications and objectivity of the independent appraisal firm. In addition, we discussed the scope of their work with management and reviewed the related terms of engagement to determine that there were no matters that affected their objectivity or imposed scope limitations. • With the support of our internal valuation specialists, (i) assessed whether the valuation methodology applied is appropriate and in line with international valuation standards as well as industry norms, (ii) challenged the appropriateness of the key parameters and assumptions used by the independent appraiser to estimate the fair values. • Tested the accuracy and completeness of the data provided by the management to the independent appraisal firm. • Checked the mathematical accuracy of the computations made in the valuation workings. • With the support of our internal valuation specialists, we compared the 31st December 2021 investment property values with those of the previous revaluation as of 31st December 2020, and investigated any unexplained deviations identified and challenged where necessary the underlying data and assumptions. • Assessed completeness and accuracy of all related disclosures in the financial statements based on the relevant international financial reporting standards, including significant assumptions and methods used in the valuations and sensitivity analysis on the changes of the unobservable inputs. The above procedures were completed in a satisfactory manner.

Deloitte.

Independent Auditor's Report (continued)

To the Members of The Mall of Cyprus (MC) Plc

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report and the declaration of the Members of the Board of Directors but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Deloitte.

Independent Auditor's Report (continued)

To the Members of The Mall of Cyprus (MC) Plc

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

• In our opinion, based on the work undertaken in the course of our audit, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
• In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

Deloitte.

Independent Auditor's Report (continued)

To the Members of The Mall of Cyprus (MC) Plc

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Nicos Papakyriacou.

Nicos Papakyriacou
Certified Public Accountant and Registered Auditor
for and on behalf of
Deloitte Limited
Certified Public Accountants and Registered Auditors

Nicosia, 28 April 2022

THE MALL OF CYPRUS (MC) PLC

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Note	**2021**	2020
		€	€
Rights for use of space and other revenue	8	**15.300.635**	15.407.377
Other operating income	9	**633.627**	61.047
Fair value gains/(losses) on investment property	10	**8.194.630**	(9.080.051)
Impairment gain/(charge) on trade and other receivables	19	**415.354**	(1.363.772)
Administration and other operating expenses	11	**(5.100.822)**	(4.714.616)
Operating profit		**19.443.424**	309.985
Finance income	13	**61.055**	321.557
Finance costs	13	**(3.307.777)**	(4.711.867)
Other gains	23	**-**	233.761
Profit/(loss) before tax		**16.196.702**	(3.846.564)
Tax	14	**(1.330.791)**	243.743
Profit/(loss) for the year		**14.865.911**	(3.602.821)
Other comprehensive income		**-**	-
Total comprehensive income/(loss) for the year		**14.865.911**	(3.602.821)
Earnings/(loss) per share attributable to equity holders (cent)	**15**	**14,87**	(3,60)

THE MALL OF CYPRUS (MC) PLC

STATEMENT OF FINANCIAL POSITION
31 December 2021

	Note	2021 €	2020 (restated) €
ASSETS			
Non-current assets			
Property and equipment	16	**361.741**	418.684
Investment property	17	**207.800.000**	198.450.000
Prepayments and other assets	20	**66.210**	114.225
		208.227.951	198.982.909
Current assets			
Trade and other receivables	19	**1.815.935**	2.387.183
Loans receivable	18	**883.144**	372.458
Prepayments and other assets	20	**502.313**	267.265
Refundable taxes	27	**266.166**	140.990
Cash at bank and in hand	21	**5.452.439**	8.120.783
		8.919.997	11.288.679
TOTAL ASSETS		**217.147.948**	210.271.588
EQUITY AND LIABILITIES			
Equity			
Share capital	22	**50.000.000**	50.000.000
Retained earnings		**54.569.589**	39.703.678
Total equity		**104.569.589**	89.703.678
Non-current liabilities			
Borrowings	23	**83.831.487**	89.161.195
Trade and other payables	26	**1.836.045**	1.851.699
Deferred tax liabilities	24	**19.206.034**	18.354.879
		104.873.566	109.367.773
Current liabilities			
Trade and other payables	26	**3.301.698**	2.191.433
Borrowings	23	**4.356.647**	6.379.464
Provisions for other liabilities and charges	25	**46.448**	2.629.240
		7.704.793	11.200.137
Total liabilities		**112.578.359**	120.567.910
TOTAL EQUITY AND LIABILITIES		**217.147.948**	210.271.588

On 28 April 2022 the Board of Directors of The Mall of Cyprus (MC) Plc authorised these financial statements for issue.

John George Mavrokordatos
Director

George Mouskides
Director

The notes on pages 16 to 63 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2020	**50.000.000**	**43.306.499**	**93.306.499**
Comprehensive income			
Net loss for the year	-	(3.602.821)	(3.602.821)
Balance at 31 December 2020/ 1 January 2021	**50.000.000**	**39.703.678**	**89.703.678**
Comprehensive income			
Net profit for the year	-	14.865.911	14.865.911
Balance at 31 December 2021	**50.000.000**	**54.569.589**	**104.569.589**

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65% (2020: 1,70% - 2,65%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

THE MALL OF CYPRUS (MC) PLC

STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Note	2021 €	2020 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**16.196.702**	(3.846.564)
Adjustments for:			
Depreciation of property and equipment	16	**93.515**	85.953
Fair value (gains)/losses on investment property	17	**(8.194.630)**	9.080.051
Movement in provisions for other liabilities	25	**(102.600)**	-
Interest income	13	**(61.055)**	(321.557)
Interest expense and modifications on financial liabilities, net	13,23	**3.303.325**	4.478.106
Movement in provision for financial guarantees	11,25	**19.808**	26.640
		11.255.065	9.502.629
Changes in working capital:			
Decrease/(increase) in trade and other receivables		**571.248**	(440.555)
Increase in prepayments and other assets		**(444.038)**	(558.773)
Decrease in trade and other payables		**(1.608.100)**	(671.700)
Cash generated from operations		**9.774.175**	7.831.601
Tax paid		**(604.812)**	(107.172)
Net cash generated from operating activities		**9.169.363**	7.724.429
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property and equipment	16	**(36.572)**	(72.274)
Payment for construction of investment property (excluding capitalised interest paid)	17	**(676.340)**	(99.502)
Loans granted to parent	18	**(30.000)**	(350.263)
Loans repayment received from parent	18	**100.000**	-
Interest received		**61.055**	299.362
Net cash used in investing activities		**(581.857)**	(222.677)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of bank borrowings	23	**(8.295.646)**	(9.877.884)
Repayment of loans from related companies	23	**-**	(2.473.325)
Interest paid (including capitalised interest paid)	23	**(2.960.204)**	(1.156.660)
Net cash used in financing activities		**(11.255.850)**	(13.507.869)
Net decrease in cash and cash equivalents		**(2.668.344)**	(6.006.117)
Cash and cash equivalents at beginning of the year	21	**8.120.783**	14.126.900
Cash and cash equivalents at end of the year	**21**	**5.452.439**	8.120.783

Significant non-cash transactions are disclosed in the notes to the financial statements.

1. Incorporation and principal activities

Country of incorporation

The Mall of Cyprus (MC) Plc (the "Company") was incorporated in Cyprus on 27 November 1971 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Since 6 August 2010 the Company is listed on the (unregulated) Emerging Companies Market of the Cyprus Stock Exchange. Its registered office is at 3 Verginas Street, The Mall of Cyprus, Strovolos, 2025, Nicosia, Cyprus.

Principal activities

The principal activity of the Company, which is unchanged from last year, is the leasing/granting of rights of use of space of its property, the Shacolas Emporium Park which includes a Shopping Mall, an IKEA store and other building developments for retail/commercial purposes.

Operating Environment of the Company and assessment of Going Concern status

Economic indicators

With the recent and rapid development of the Coronavirus disease (COVID 19) pandemic the world economy entered a period of unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life. The Cypriot economy, while showing steady growth between 2015-2019 experienced recessionary pressures during 2020, as the emergence of the pandemic led to the implementation of extraordinary measures for its containment, such as high public spending, leading to a heightened fiscal deficit for the State. During 2021, despite targeted lockdown measures, there was partial recovery recorded, due to the continuing efforts of the State and businesses to restore normality in operations. However, the efforts to restore normality are hindered by the initiation and continuance of the Russia-Ukraine conflict. This crisis, since February 2022, has so far had an adverse impact on global commodity and energy prices, with an expected rise in global inflation. As a result of the present situation, the world economy and global financial markets entered a period of high uncertainty and financial turmoil, with the results of this crisis still remaining unknown. Locally, the Cyprus economy is expected to be impacted significantly should the present conditions be prolonged. That, would potentially impair consumer spending and confidence levels, which the financial condition of the Company is a function of.

COVID-19

Containment measures regarding the pandemic, that have been initiated since year 2020, continue. During 2021, there have been, among other actions, targeted lockdowns which have affected the Company's operations, but to a lesser extent than before.

The impacts of COVID-19 are reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021. The Company's management has incorporated in its overall impact assessment the above events, but in particular, taking into account, among other, the following:

(1) whether any impairment allowances are deemed necessary for the Company's financial assets, lease receivables and financial guarantee contracts, by considering the economic situation and outlook at the end of the reporting period.

(2) the inputs and metrics applied in measuring the fair value of the Company's most significant asset, i.e., its investment property.

Management considers that the unique circumstances that had a material impact on the business operations and the risk exposures of the Company are at a stage of normalisation. During 2021, revenue and profitability have recovered and the assessed fair value of investment property has increased. Concessions to tenants to aid their ability to operate under challenging circumstances have continued during the year, as well as modifications in credit granting and monitoring policies with the aim of maintaining adequate rate and extent of recovery of receivables. Financial covenants in place with financial institutions are considered as and when required. The assessment of trading, investing and financing cash flows of the business, on a forward-looking basis, applying evolving assumptions and incorporating several scenarios in assessing actual and potential financing needs, is continuous.

Going concern

Management is of the opinion that the Company's going concern status and outlook is not compromised. Principal factors in support of this conclusion include, but are not limited to:

• the successful deliberations with financial institutions in obtaining (during 2020) a period of debt repayment postponement and in addition, an extension of final debt settlement.

• the implementation of an all-round plan of managing relationships with tenants (involving a concession scheme and special credit granting arrangements)

• containment of operational costs

The potential scenarios which could lead to the Company not being a going concern, along with Management's evaluation, are considered to be:

- Not having sufficient cash to meet liabilities as they fall due or meet financing obligations

With respect to this, the Company maintains a positive cash and net working capital position (excluding short-term loan obligations to related entities) and based on its cashflow forecasts extended to year 2023, such are expected to remain. In the event however of any temporary shortfall, Group financial support may be available by delaying/deferring settlements of amounts due to other Atterbury group companies, for easing cash flow pressures.

- A non-remedied breach of the financial covenants within the Company's bank facilities

These covenants are applicable to the Company, its fellow subsidiary the Mall of Engomi (ME) Plc and the parent entity Atterbury Cyprus Limited, and are as follows:

• Debt Service Cover Ratio: no less than or equal to 1.1 times

• Debt to Equity Ratio: shall not exceed 1.4 times

• Loan to Value Ratio: shall not exceed 60%

The Company is currently in full compliance with such covenants and expects to remain so. The Company also expects that there should not be any issue concerning the Company's cross guarantee position in favour of its fellow subsidiary, as the latter's position and performance is expected to be sufficient to avoid any unfavourable developments that may burden the entity. Based on the Company's assessment, the main covenants are the debt service cover ratio and the loan to value ratio requirements. Based on the forecasts by Management, there is significant headroom before being at risk of any such breach.

- Interruption of operations and worsening of the financial position of customers

Management acknowledges the possibility that tenants, who have already suffered financial losses and reduced performance, may in future continue to face such risks. This is an issue that is being appropriately managed with continuous monitoring of the tenants' ongoing situation, and by considering options such as special repayment terms and temporary concessions. Such actions have taken effect during 2021, in continuation of the efforts initiated during 2020.

In order to assess the actual and potential impact on the Company's financial position, financial performance and cash flows, management has undertaken a continuous process of reassessing its cash flow and profitability forecasts by incorporating downside scenarios and the risks mentioned above (including breach of covenants) and assessed that the Company will be in a position to continue its normal course of business and to meet its obligations as they become due, for a period of at least twelve months from the date of signing these financial statements. The reassessment process will be evaluated as changes to the overall operating and economic environment evolve.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property to its fair value.

Management has adopted the going concern basis for the preparation of these financial statements, taking into account the entity's financial performance, position and assessed future prospects (note 1).

3. Adoption of new or revised standards and interpretations

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2021. This adoption did not have a material effect on the accounting policies of the Company.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 regarding "Interest Rate Benchmark Reform – Phase 2"

  In August 2020, the International Accounting Standards Board (Board) published Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relate to the modification of financial assets, financial liabilities, lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

  The Company is exposed to interest rate benchmark reform arising from its variable IBOR-related transactions.

  During 2021, the Company has performed an exercise to identify its exposure to IBORs in preparing for the transition to alternative rates. The exercise has identified that the Company is solely exposed to EURIBOR as follows: (i) Bank balances - current accounts €343.584 (2020: €177.273), (ii) Bank deposits €5.108.643 (2020: €7.943.128) (iii) Loans receivable €883.144 (2020: €372.458) and (iv) Bank borrowings €87.588.134 (2020: €95.540.659).

  In management's view, EURIBOR will not be affected by IBOR reform because EURIBOR follows the EU Benchmarks Regulation. As such there is no requirement to amend contracts referencing EURIBOR, and new contracts referencing EURIBOR may continue to be entered into. The Company will consider whether any fallback provisions may need to be included in existing contracts, in the event EURIBOR is replaced in the future.

- Amendments to IFRS 4 Insurance Contracts–deferral of application of IFRS 9

  Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) defers the fixed expiry date of the amendment to annual periods beginning on or after 1 January 2023.

- Amendment to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (Effective for annual periods beginning on or after 1 April 2021)

  In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16). The pronouncement amended IFRS 16 Leases to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021.
  Since lessors continue to grant COVID-19-related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the IASB decided to extend the time period over which the practical expedient is available for use.

3. Adoption of new or revised standards and interpretations (continued)

The amendment is effective for annual reporting periods beginning on or after 1 April 2021. The Company has early adopted this amendment in the current reporting period.

The Changes in Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) amend IFRS 16 to:
• permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021);
• require a lessee applying the amendment to do so for annual reporting periods beginning on or after 1 April 2021;
• require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
• specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.

The Company opted to be exempted from assessing whether the COVID -19 related rent concession is a lease modification and accounts for such changes in lease payments as variable lease payments in accordance with IFRS 16.

4. Significant accounting policies

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

Administration and operating expenses

Expenses incurred are recognised on an accrual basis.

Management includes in the standard license/lease agreements specific terms which enables the mall to recharge or recover property expenses from the tenants. The expenses are incurred for the sole benefit of the tenant and to optimize the production of income in the mall. The rechargeable property expenses include items such as (i) common area maintenance costs (ii) property management costs (iii) security & cleaning and (iv) general utility expenses. These expenses are presented as a separate expense line item under the ‘’Administration and other operating expenses’’ financial statement caption. All other expenses items are presented in the notes to the financial statements, grouped and classified by their nature.

Segmental reporting

The Company believes that there are no separate operating segments under IFRS8 'Operating Segments’ for which there is discrete financial information for making decisions on allocating resources and evaluating their performance. The Management of the Company (Board of Directors) (upper body for making operational decisions) take decisions for resource allocation and assessing their performance based on internal reports at Company level. These reports are consistent with IFRS which were used for the preparation of the financial statements. There is no additional information on the performance of individual segments.

Revenue

Recognition and measurement

Revenue includes (i) lease income from rights for use of space, (ii) lease income on land assets, and (iii) service charges, utility costs recharged and other recoveries from tenants.

4. Significant accounting policies (continued)

Revenue recognition (continued)

- **Lease income from rights for use of space**

  The income from rights for use of space under operating leases, is recognised on a straight-line basis over the term of the relevant lease, taking into account the impact of any rent-free periods and incentives (refer to below paragraph). Initial direct costs incurred in negotiating and arranging an operating lease are expensed in profit or loss.

  Incentives granted to tenants (such as relocation incentives that are typically provided to aid tenants in bringing newly occupied tenancy space in operational condition for their intended business use and that are considered lessee assets) in relation to the investment property of the Company, are initially capitalised in the statement of financial position under ''other assets'', and accordingly charged on a systematic basis to profit or loss, in arriving at revenue for the financial period.

  Furthermore, in the normal course of business, the Company may enter into specific arrangements with tenants, for the latter to cover portions of capital improvements that result in the enhancement of the Company's investment property and for which tenants have no recourse against the Company. Such tenant contributions are initially recognised in the statement of financial position as deferred income and are subsequently credited to profit or loss on a systematic basis in arriving at revenue for the financial period.

  Additional licence fee income constituting variable consideration based on lessee's level of annual turnover in comparison to minimum licence fees, is recognised once conditions for such recognition have been met.

- **Lease income on land assets**

  Income arising from operating leases on investment properties comprising land is recognised on a straight-line basis over the term of the relevant lease, taking into account the impact of any rent free periods and incentives.

- **Revenue from service charges, utilities and other recoveries**

  Revenue from service charges and utilities is considered a non lease component of the standard license/lease contracts. This form of revenue is recognised in the accounting period in which control of the services are passed to the tenant; which is when the service is rendered. Management includes in the standard license/lease agreements specific terms which enables the mall to recharge or recover property expenses from the tenants. The expenses are incurred for the sole benefit of the tenant and to optimize the production of income in the mall. The rechargeable property expenses include items such as (i) common area maintenance costs (ii) property management costs (iii) security & cleaning and (iv) general utility expenses.

  Revenue is recognised gross, on the premise that under the above arrangements, the Company acts as Principal in providing such services to tenants, since the services concerning property-related expenses as mentioned above, are purchased by the Company (i.e. they are under the Company's control) and are subsequently transferred to tenants.

Employee benefits

The Company and the employees contribute to the Government Social Insurance Fund based on employees' salaries. In addition, the Company operates a defined contribution scheme the assets of which are held in a separate trustee-administered fund. The scheme is funded by payments from employees and by the Company. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no further payment obligations once the contributions have been paid. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

4. Significant accounting policies (continued)

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

4. Significant accounting policies (continued)

Tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Plant and machinery	10-20
Signs	15
Furniture, fixtures and office equipment	15-20
Computers	33
Art works	Nil

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For art works, management has adopted a nil rate of depreciation since by their nature, residual value is not reduced.

Income from government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. They are amortised on a systematic basis using the straight-line method over the expected useful life of the respective assets. Government grants that relate to expenses are recognised in profit or loss as revenue.

4. Significant accounting policies (continued)

Investment properties

Investment property comprises completed property and property under development or re-development that is held, or to be held, to earn rentals or for capital appreciation or both. Investment property comprises commercial property (including associated land) held primarily to earn licence fees and rental income and for capital appreciation. In the case of buildings, these are substantially rented/licenced to tenants and not intended to be sold in the ordinary course of business. Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees and any other costs required to bring the property to the condition necessary for it to be capable of operating. Eligible borrowing costs are capitalised on investment property that is regarded as a qualifying asset under IAS23.

After initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect. For the purposes of these financial statements and in order to avoid double counting, the carrying amount of any accrued income, relocation incentives and unamortised rent concessions is set off against the carrying amount of investment property, just prior to the revaluation of the latter to its fair value.

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Company considers the effects of variable consideration, the existence of a significant financing component, noncash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

Leases

<u>The Company as lessor</u>

The Company enters into lease agreements as a lessor with respect to its investment properties. Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for the head lease and the sub lease as two separate contracts. The sub lease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease. Rental income/licence fee income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are expensed in profit or loss.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company’s net investment outstanding in respect of the leases. Amounts due from lessees under operating leases, are classified under “trade receivables’’. When a contract includes both lease and non lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component. The non lease components are then accounted for in accordance with the relevant standard.

The Company’s entire investment property is primarily considered as leased out under operating lease arrangements. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Classification (continued)

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FV if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial assets are classified as measured at FV.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value (FV), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FV are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

Financial assets - impairment - credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within "net impairment losses on financial and contract assets".

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables (which comprise primarily of operating lease receivables and receivables from recharges of common expenses to tenants) including trade receivables with a significant financing component the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets

For all other financial assets such as cash and cash equivalents, loans receivable etc., that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and bank overdrafts. In the statement of financial position available for benefits, bank overdrafts are included in borrowings in current liabilities. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial assets at amortised cost (loans and other receivables)

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

4. Significant accounting policies (continued)

Financial assets (continued)

Trade receivables (receivables from tenants under operating lease arrangements)

Trade receivables are amounts due from tenants for services provided in the ordinary course of business. Specifically, trade receivables are primarily comprised of:

- Receivables from tenants for licence fees/rentals under operating lease agreements, and

- Receivables from tenants with respect to service charges for common area and associated expenses recharged by the Company.

If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised at their original invoiced value except where the time value of money is material, in which case rent receivables are recognised at fair value and subsequently measured at amortised cost.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FV: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset. Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

4. Significant accounting policies (continued)

Financial assets (continued)

Borrowings (continued)

Borrowings are removed from the statement of financial position when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position available for benefits if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

4. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Deferred income

In the normal course of the business, the Company may enter into specific arrangements with tenants, for the latter to cover portions of capital improvements that result in the enhancement of the Company’s investment property and for which tenants have no recourse against the Company. Such payments made by the Company on behalf of tenants for additional construction work and alterations made to the Company’s investment property under leasing arrangements, are initially recorded in deferred income. Such alterations and construction works are mutually agreed between the Company and the tenants. The Company, to recognise the benefit resulting from the fact that tenants unconditionally contribute to enhancements of the investment property, which effectively remain under the control and ownership of the Company, amortises such deferred income from the point in time the works are completed, over the remaining duration of the associated tenancy contracts, on a straight line basis. Amounts amortised are recognised in “’ other lease related income” in arriving at reported ‘’Revenue’’ (note 8).

4. Significant accounting policies (continued)

Amendments in presentation, within comparative financial information

The Company has adjusted the presentation of certain comparative figures to conform to changes in presentation adopted in the 2021 financial year. The adjusted presentation was deemed necessary, to harmonise the Company's accounting policies with Group-wide accounting practices. The previously adopted presentation practices as applied in the financial statements for the year ended 31 December 2020 were aligned with IFRS, however Management believes that a revised accounting policy would achieve a more suitable and useful presentation for achieving consistency with internal reporting requirements of its main shareholders.

Specifically, the Company had previously reported investment property under IAS40, after an adjustment made for financial reporting purposes for the impact of any accrued income, relocation incentives and unamortised rent concessions that were also reported separately in the statement of financial position as distinct assets and liabilities, so as to avoid any double counting in the valuation of property. For the year 2021 and in relation to the associated comparative financial information, such accrued income, relocation incentives and unamortised rent concessions are subsumed within the carrying value of investment property just prior to the latter's remeasurement to its fair value (rather than reported separately in the Company's assets/liabilities). This change in practice achieves the inclusion of all property value elements within the carrying amount of investment property, eliminating the need to perform a financial reporting adjustment to the open market value as determined by the appraisal of the external valuer.

The impact of the restatement on the statement of financial position for the year ended 31 December 2020, is presented below:

Extracts from the statement of financial position:	**As previously reported**	**Effect of restatement**	**As restated**
	€	**€**	**€**
Non-current assets			
Investment property - (note 17)	197.540.000	910.000	**198.450.000**
Prepayments and other assets (note 20)	730.307	(616.082)	**114.225**
Current assets			
Prepayments and other assets (note 20)	918.616	(651.351)	**267.265**
Non - current liabilities			
Trade and other payables (note 26)	(2.008.133)	156.434	**(1.851.699)**
Current liabilities			
Trade and other payables (note 26)	(2.392.432)	200.999	**(2.191.433)**
Net impact on statement of financial position		-	

	As previously reported	**Effect of restatement**	**As restated**
	€	**€**	**€**
Impact on:			
Current assets per statement of financial position	11.940.030	(651.351)	**11.288.679**
Non-current assets per statement of financial position	198.688.991	293.918	**198.982.909**
Current liabilities per statement of financial position	(11.401.136)	200.999	**(11.200.137)**
Non-current liabilities per statement of financial position	(109.524.207)	156.434	**(109.367.773)**

4. Significant accounting policies (continued)

The above retrospective restatements do not have any impact on the statement of comprehensive income, statement of cashflows and statement of changes in equity and do not impact the Company's net assets and net equity as of 31 December 2020. The statement of financial position as of 1 January 2020 remains unaffected, hence a third balance sheet has not been presented.

5. New accounting pronouncements

Standards issued but not yet effective

Up to the date of approval of the financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Company has not early adopted, as follows:

(i) Issued by the IASB and adopted by the European Union

- *New standard: IFRS 17 Insurance Contracts (Effective for annual reporting periods beginning on or after 1 January 2023)*

  The new standard replaces IFRS 4 and establishes the principles for the recognition, measurement, presentation and disclosures for insurance contracts. The objective of the standard is to ensure that an entity provides relevant information that faithfully represents those contracts. The information gives a basis for users of financial statements to assess the effect that the insurance contracts have on the entity's financial position, financial performance and cash flows.

  An entity shall apply the standard retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach. Early application is permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied.

Amendments

- *Amendments to IFRS 3 Business Combination, reference to the Conceptual Framework (Effective for annual reporting periods beginning on or after 1 January 2022)*

  The changes in Reference to the Conceptual Framework (Amendments to IFRS 3):

  •update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;

  • add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21 an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and

  • add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

  The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

5. New accounting pronouncements (continued)

(i) Issued by the IASB and adopted by the European Union (continued)

- *Amendments to IAS 16 regarding proceeds before intended use (Effective for annual reporting periods beginning on or after 1 January 2022)*

  The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds for selling items produced while bringing that asset to the location and condition necessary for it to be capable of operation in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

  The amendments apply retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Early application is permitted.

- *Amendments to IAS 37 regarding Onerous Contracts (Effective for annual periods beginning on or after 1 January 2022)*

  Amendments in Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) specify that the “cost of fulfilling” a contract comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

  Entities apply the amendments to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Early application is permitted.

- *Amendments to IFRS 17 Insurance Contracts (Effective for annual reporting periods beginning on or after 1 January 2023)*

  In June 2020, the International Accounting Standards Board (Board) has issued several significant “Amendments to IFRS 17” to address concerns and implementation challenges that were identified after IFRS 17 “Insurance Contracts” was published in 2017. One of these refers to an additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as an optional scope exclusion for loan contracts that transfer significant insurance risk.

  The amendments to IFRS 17 are to be applied retrospectively. Earlier application is permitted.

5. New accounting pronouncements (continued)

(i) Issued by the IASB and adopted by the European Union (continued)

- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Effective for annual reporting periods beginning on or after 1 January 2023)*

  Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) amends IAS 1 in the following ways:

  • An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;

  • several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;

  • the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;

  • the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and

  • the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

  Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

  In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1.

  The amendments are applied prospectively. Earlier application is permitted.

- *Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Effective for annual reporting periods beginning on or after 1 January 2023)*

  The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

  • The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

  • Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

  • The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

  • A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

  The amendments are applied prospectively. Earlier application is permitted.

5. New accounting pronouncements (continued)

(ii) Issued by the IASB but not yet adopted by the European Union

Amendments

- *Amendments to IAS 1 regarding classification of Liabilities as Current or Non-Current (Effective for annual reporting periods beginning on or after 1 January 2023)*

  The amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) affect 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.

  The amendments are to be applied retrospectively. Earlier application is permitted.

- *Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Effective for annual periods beginning on or after 1 January 2023)*

  In May 2021, the International Accounting Standards Board (Board) has published “Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)” that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognises deferred tax for all temporary differences related to leases and decommissioning obligations and recognises the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

- *Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Effective for annual periods beginning on or after 1 January 2023)*

  Narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment relates to financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9. There are no changes to the transition requirements in IFRS 9.

  An entity that elects to apply the amendment applies it when it first applies IFRS 17.

5. New accounting pronouncements (continued)

(ii) Issued by the IASB but not yet adopted by the European Union (continued)

- *Amendment to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures. (Effective date postponed until further notice from IASB)*
  The IASB has issued limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures.

  The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a ‘business’ (as defined in IFRS 3 Business Combinations).

  Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor’s interests in the associate or joint venture. The amendments apply prospectively.

The above are expected to have no significant impact on the Company's financial statements when they become effective.

6. Financial risk management

Financial risk factors
The Company is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2021	2020
	€	€
Variable rate instruments		
Financial assets - cash at bank and loans receivable	**6.335.371**	8.492.859
Financial liabilities - loans payable	**(87.588.134)**	(95.540.659)
	(81.252.763)	(87.047.800)

An increase of 100 basis points in interest rates at 31 December 2021 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

		Profit or loss
	2021	2020
	€	€
Variable rate instruments	**812.528**	870.478
	812.528	870.478

6. Financial risk management (continued)

6.2 Credit risk
Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to tenants, including outstanding receivables.

Credit risk is managed on a group basis, unless circumstances require specific monitoring of the risk profile of tenants, on an individual basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties.

For banks and financial institutions, only those that are highly rated by the Board of Directors are accepted for conducting business transactions. Management assesses the credit quality of the users of space of property, taking into account their financial position, past experience and other factors.

The Company has the following types of financial assets that are subject to the expected credit loss model:
- trade receivables from the grant of use of space/land rentals
- other financial assets at amortised cost
- cash and cash equivalents

The Company's exposure to credit risk for each class of asset subject to the expected credit loss model is set out below (the Company is also exposed to financial guarantee contracts with related entities):

Trade and other receivables

The Company assesses, on an individual basis, its exposure to credit risk arising from trade receivables and contract assets. This assessment is based on the credit history of the customers with the Company as well as the period the trade receivable or contract asset is more than 180 days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The average credit period offered to tenants is 15 days with minor extensions being adopted by the Company for certain tenants from time to time. No interest is charged on outstanding trade receivables.

The Company's management considers the concentration of credit risk based on the different industries for which its tenants are exposed and monitors on a collective basis the trade receivables on this basis at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the real estate rental industry. In addition trade receivables are assessed on an individual basis in cases of long overdue amounts and financial difficulties faced by specific tenants.

The Company assesses on a collective as well as on an individual basis its exposure to credit risk as follows:

6. Financial risk management (continued)

6.2 Credit risk (continued)

Trade and other receivables (continued)

	Trade receivables from tenants and other receivables	
	2021	2020
	€	€
Individual assessment	1.538.346	3.258.883
Collective assessment	600.126	1.025.311
Total gross receivables (before provisions)	**2.138.472**	4.284.194

On that basis, the loss allowance as at 31 December 2021 was determined as follows for trade receivables:

	Loss allowance	
	2021	2020
	€	€
Individual assessment	775.213	1.919.888
Collective assessment	76.437	8.739
Total	**851.650**	1.928.627

The closing loss allowances (under collective and individual assessments) for trade and other receivables as at 31 December 2021 reconcile to the opening loss allowances as follows:

	Trade receivables	
	2021	2020
	€	€
Balance at 1 January	**1.928.627**	564.855
Impairment (gains)/losses recognised on receivables in profit or loss during the year - net	**(415.354)**	1.363.772
Set-offs against gross trade receivables	**(661.623)**	-
Balance at 31 December	**851.650**	1.928.627

6. Financial risk management (continued)

6.2 Credit risk (continued)

Trade and other receivables (continued)

The main cause for the net reduction in loss allowance compared to the previous year has been the improved recovery of debts due from certain customers as well as the establishment of favourable repayment plans which have, in aggregate, partly overturned the increased credit risk due to the occurrence of COVID–19. As explained in note 1, COVID-19 had negatively affected both the retail sector (and in particular the areas of business of many tenants of the Mall) and the real estate management industry. Management of the Company continued to implement a dual model of impairment determination, on an individual as well as collective assessment for year 2021, to capture the impact of the financial situation affecting business operations in the most comprehensive manner possible. In the course of the current year, there have been modifications of offered credit terms and the granting of special conditional discounts, as well as a debt service agreement schemes for preferential repayment terms (for those businesses affected). For the individual assessment exercise, Management considered, among other, the following factors in its selection process:

• Monetary exposure (gross outstanding balances)

• Patterns in debt repayment, especially following the occurrence of the pandemic

• Industry specific issues faced by certain businesses most heavily impacted by the pandemic (such as tenants at the food court of the Mall, cinemas, etc.)

• Ability of tenants to trade during disruptive periods

For individually assessed exposures, the Company applied in certain circumstances a model of primarily three scenarios (adverse, baseline and pessimistic) with appropriate weightings

Management has assessed expected cash inflows from trade receivables under individual assessment, having considered the above facts as well as macroeconomic, forward looking data such as GDP, estimating LGD, PD and EAD in all relevant cases, with reference to industry specific data.

For tenant receivables under collective assessment for year 2021 and 2020, a matrix approach was followed based on groupings of customers with common industry characteristics (segments). The Company remodelled the applicable groupings for 2021 compared to 2020. Individual loss rates by segment were applied based on days overdue. Expected Credit losses in respect of customer balances undergoing individual assessment, were excluded from the final result. The cumulative loss allowance at 31 December 2021 was €76.437 (2020: €8.739). Information about the provision matrices applied for the 2021 collective assessment exercise is as follows:

Tenant sector	**Loss rates**
Food and beverage	13%
Fashion	16%
Other	14%

Information about the provision matrices applied for the 2020 collective assessment exercise is as follows:

Tenant sector	**Loss rates**	
	Balances under normal credit terms	*Balances under special credit terms*
Technology	0,07%	12%
Clothing	0,01%	1%
Automotive	0,01%	1%
Food and beverage	0,02%	3%
Other	0,01% - 0,02%	1% - 3%

6. Financial risk management (continued)

6.2 Credit risk (continued)

Other financial assets at amortised cost (loans and other receivables from related parties, debt instruments at amortised cost and at FVTOCI-general expected credit loss model applied) (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due. As of 31 December 2021, an amount of €661.623 of gross trade receivables has been written off.

Impairment losses on trade receivables are presented as net impairment losses within operating profit/(loss). Subsequent recoveries of amounts previously written off are credited against the same line item.

Of the trade receivables balance at the end of the year, €678.962 (gross of provision for impairment: €1.031.502) (2020: €1.344.422) is due from the Company's anchor tenants. These anchor tenants account for approximately 40% (2020: 41%) of the Company's annual revenue for the year ended 31 December 2021. Anchor tenants are considered those with significant duration periods on space leasing arrangements, occupying significant portions of the Company's investment property. Apart from the above, the Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Other financial assets at amortised cost (loans and other receivables from related parties, debt instruments at amortised cost and at FVTOCI-general expected credit loss model applied)

The Company assesses, on an individual basis, its exposure to credit risk arising from financial assets at amortised cost and debt investments carried at FVOCI. This assessment takes into account, amongst others, the period the loan receivable or other receivable balance is more than 180 days past due and history of defaults in the past, adjusted for forward looking information. The Company uses three categories for loans, receivables, other receivables, debt securities at FVOCI which reflect their credit risk and how the loss provision is determined for each of those categories.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward looking information. Especially the following indicators are incorporated:

-internal credit rating

-external credit rating (as far as available)

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations

-actual or expected significant changes in the operating results of the borrower/counterparty

-significant increases in credit risk on other financial instruments of the same borrower/counterparty

- significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower.

In determining the expected credit losses for these assets, Management of the Company have taken into account the historical default experience, the financial position of the counterparties.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

6. Financial risk management (continued)

6.2 Credit risk (continued)

Other financial assets at amortised cost (loans and other receivables from related parties, debt instruments at amortised cost and at FVTOCI-general expected credit loss model applied) (continued)

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)
Write-off	Interest and/or principal repayments are 180 days past due and there is no reasonable expectation of recovery.	Asset is written off	None

Loans receivable and other receivables from related parties

The Company has a current loan receivable amount of €883.144 at the reporting date, due from its parent. No provision for expected credit losses has been recognised as the assessed amount was insignificant. The loans are categorised as stage 1 since inception.

The Company also has a receivable amount of €231.025 due from fellow subsidiary The Mall of Engomi (ME) Plc, which is also regarded a stage 1 asset, with insignificant impact in terms of credit losses.

6. Financial risk management (continued)

6.2 Credit risk (continued)

Cash and cash equivalents

Cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. In particular, the ECL on current accounts is considered to be approximate to nil, unless the bank with which deposits are held, is subject to capital controls. The ECL on deposit accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by European Central Bank.

In determining the expected credit losses for these assets, Management of the Company have taken into account the historical default experience, the financial position of the counterparties.

Financial guarantee contracts

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Company will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Company is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. The Company monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

At the reporting date, the Company acts as a guarantor to the bank loan of fellow subsidiary The Mall of Engomi (ME) Plc for the amount of €38.800.000. It is not expected that any loss will result from such guarantees provided by the Company, since the property of the borrower is also pledged as security. There have been no indications as of the reporting date that the borrower is likely to fail meeting up its loan instalments. Under IFRS9 a provision has been recognised in respect of the financial guarantee provided, being the estimated 12-month ECL, which takes into account the probability of default of the beneficiary entity, the loss given default and the exposure at default. Refer to note 25.

6.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2021	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	87.588.134	116.844.690	1.926.896	5.004.000	6.672.000	20.016.000	83.225.794
Trade and other payables	4.262.223	4.262.223	4.262.223	-	-	-	-
Financial guarantees - contractual amount	38.800.000	38.800.000	38.800.000	-	-	-	-
Loan from parent company	600.000	600.000	600.000	-	-	-	-
	131.250.357	**160.506.913**	**45.589.119**	**5.004.000**	**6.672.000**	**20.016.000**	**83.225.794**

6. Financial risk management (continued)

6.3 Liquidity risk (continued)

31 December 2020	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	95.540.659	120.142.624	2.444.691	7.334.983	9.780.324	29.340.972	71.241.654
Trade and other payables (excluding deferred income)	2.644.751	2.644.751	2.644.751	-	-	-	-
Financial guarantees - contractual amount	23.200.000	23.200.000	23.200.000	-	-	-	-
Payables to related parties	21.776	21.776	21.776	-	-	-	-
	121.407.186	146.009.151	28.311.218	7.334.983	9.780.324	29.340.972	71.241.654

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management maintains flexibility in funding by maintaining availability under committed credit lines. The Company during 2019 has restructured its bank borrowing facilities, effectively extending the dates of final repayment (note 23).

Management monitors rolling forecasts of the Company's cash and cash equivalents (note 21) on the basis of expected cash flow. Based on their experience, management considers that the bank overdraft will continue to be renewed normally on an annual basis. The Company has such committed overdraft facility for up to €2 million and did not have any overdrawn amounts at the reporting date.

With respect to financial guarantees, as referred to note 6.2, the Company acts as guarantor for a fellow subsidiary to the amount of €38,8 million, which is the maximum contractual amount of any obligation.

6.4 Capital risk management

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares, or sell assets to decrease its borrowings.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings. Total capital is calculated as "equity" as shown in the statement of financial position available for benefits plus net debt.

The Company's capital is analysed as follows:

	2021	2020
	€	€
Total borrowings (Note 23)	**88.188.134**	95.540.659
Less: Cash and cash equivalents (Note 21)	**(5.452.439)**	(8.120.783)
Net debt	**82.735.695**	87.419.876
Total equity	**104.569.589**	89.703.678
Total capital	**187.305.284**	177.123.554
Gearing ratio	**44,17%**	49,36%

The reduction in gearing ratio was a result of the reduction in borrowings as well as improvement in profitability of the Company.

6. Financial risk management (continued)

Fair value estimation

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values.

Refer to note 17 for disclosure of fair value for Investment Properties carried at fair value.

7. Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates which by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Fair value of investment property (accounting estimate)**

  The fair value of investment property is determined by using valuation techniques, with input from independent real estate valuation experts, and the principles applied comply with IFRS 13, ‘’Fair Value Measurement’’. The Company uses its judgment to select specific methods and make assumptions that are mainly based on market conditions existing at each reporting date. In addition to market conditions, Management assesses current economic developments and uncertainties that might influence the valuation of investment properties. Rent free periods, expected vacancy rates, the discount rates and assumed trends in rents are some important factors in such assessment.

  The valuations are based on a discounted cash flow (DCF) analysis of each property. The DCF analyses are adjusted to existing lease agreements, in order to cover the full period of existing lease agreements. The DCF analyses are based on calculations of the future rental revenue in accordance with the terms in existing lease agreements and estimations of the rental values when the agreements expire. The investment property portfolio is typically appraised on an annual basis. However, in novel conditions, as caused by COVID 19 during year 2020, the investment property is also appraised mid year for better monitoring of value fluctuations of the primary asset of the Company.

  Management exercises judgment in evaluating the unprecedented set of circumstances caused by COVID 19, which impacted the scope of the independent valuer’s work. The latter’s valuation was reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. This does not equate to lesser or no reliability of the valuation which Management uses for the determination of fair value for financial reporting purposes, but rather provides further insight as to the market context under which the valuation was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID 19, Management therefore will be revisiting the valuation of the property frequently, as needed. Refer to note 17 for details of the assumptions used and sensitivity analysis performed on key inputs to the valuation exercise.

7. Critical accounting estimates and judgments (continued)

- **Classification of lease arrangements (judgment)**

  A lessor shall classify each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract. In that respect, management evaluates the indicators of arrangements entered into, such as potential of ownership transfer at end of lease term, options to extend and at what rentals compared to market, lease durations compared to asset useful lives, and comparison of the present value of lease payments compared to asset values, and makes the appropriate classification of the lease arrangement.

- **Impairment of financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

  In years 2020 and 2021, the Company applied, in addition to a provision matrix used for ECLs for trade receivables, an individual assessment process to estimate ECLs in the most representative manner possible. Management exercised judgment in initially deciding to employ individual assessment as well the standard provision matrix used since 1 January 2018, since past default rates would not be reliable due to changed economic circumstances) and future macroeconomic indicators bear significant uncertainty.

  Management has also exercised judgment in the decision – making process over which customers to individually assess. as it took into account the magnitude of customer exposures, payment patterns, indicators of their financial condition and relevant industry outlook, as well as others. Scenarios with varying assigned probabilities of outcome were designed (adverse, baseline and pessimistic) to estimate ECL with sufficient reliability.

  Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

8. Rights for use of space and other revenue

Disaggregation of revenue	**2021**	2020
	€	€
Rights for use of space - Minimum licence fees	**12.173.754**	11.785.596
Rights for use of space - Additonal licence fees	**240.879**	35.027
Lease income from advertising space	**-**	128.282
Lease related income from tenant contributions	**220.217**	220.221
Lease related expenses from relocation incentives granted	**(257.470)**	(257.466)
Lease related expenses from discounts granted	**(1.454.627)**	(414.195)
Lease income from land lease	**674.074**	647.082
Total lease income	**11.596.827**	12.144.547
Revenue from service charge, utilities and other recoveries	**3.703.808**	3.262.830
	15.300.635	15.407.377

8. Rights for use of space and other revenue (continued)

(continued)

Income from the "Rights of use of space" relates to license/lease agreements that were in effect during 2021. Income that is derived based on the financial performance of tenants is separately presented under "Additional licence fees" and is determined as a percentage of the tenants' revenue; as stipulated in their license/lease agreements.

''Lease related income from tenant contributions'' refers to the amortised portion of capital expenditure incurred by the Company on behalf of, and billed to certain tenants, in transforming/enhancing the space occupied in the Mall of Cyprus with individualised features and improvements. The capital improvement is released/amortised to profit or loss over the lease terms of the applicable tenants, arriving at reported income (refer to note 26).

"Relocation incentives" refer to incentives the Company has granted to tenants, as a result of the recent expansion project in the Mall of Cyprus. The incentives are released/amortised to profit or loss over the lease terms of the applicable tenants, arriving at reported revenue (essentially treated as "discounts"). Refer to note 20 of the financial statements for further details. Income from the leasing of land relates solely to the rental income earned by the Company from IKEA for the year.

Lease related expenses from ''Discounts granted'' relate to the discounts given to tenants by the Company. The discounts were given as a result of the global pandemic COVID 19 and the "strict" lockdown period in Cyprus during March-June 2020 and January-February 2021 as well as May of 2021 when all malls and retail centres were closed. For the tenants to have qualified for this discount they had to comply with certain set conditions. The total amount of discount that was given during the year ended 31 December 2021 was €1.969.102 (2020: €1.271.285). The discounts are amortised to profit or loss over the remaining lease term of tenants' contracts from the date the discount was given in accordance with IFRS 16 (i.e. treated as a lease modification). The unamortised amount is presented as a lease receivable in the financial statements (note 20) prior to its reclassification against investment property (note 17).

9. Other operating income

	2021	2020
	€	€
Government subsidies (Covid-19)	**300.000**	-
Release of provision of other liabilities (note 25)	**102.600**	-
Promotional and other income	**231.027**	61.047
	633.627	61.047

During the year, the Company received a government subsidy. Specifically, according to the records of the Authorities, the Company qualified as a VAT registered business which suffered reductions in turnover over and above the minimum thresholds set out in the relevant government scheme, which aimed at providing aid to counteract the adverse impact of measures taken for the handling of the COVID-19 pandemic. The Company has recognised such subsidy as an element of income, since the State authorities have determined that the Mall of Cyprus (MC) plc qualified for aid under the scheme, with no further conditions imposed.

10. Fair value gains/(losses) on investment property

	2021	2020
	€	€
Fair value gains/(losses) on investment property (note 17)	**8.194.630**	(9.080.051)
	8.194.630	(9.080.051)

11. Administration and other operating expenses

	2021	2020
	€	€
Common expenses	**406.540**	422.079
Licenses and taxes	**67.390**	79.415
Insurance	**656**	1.552
Repairs and maintenance	**129.452**	150.842
Auditor's remuneration - current year	**27.000**	27.000
Auditor's remuneration - prior years	**-**	3.200
Directors' fees	**2.500**	2.500
Other professional fees	**94.154**	296.354
Financial guarantee provision (note 25)	**19.808**	26.640
Rental commissions paid	**24.224**	-
Management fees	**507.974**	349.011
Other expenses	**12.942**	3.938
Bank charges	**10.859**	3.302
Property management, maintenance and utility costs *	**3.703.808**	3.262.830
Depreciation (note 16)	**93.515**	85.953
	5.100.822	4.714.616

* Property management, maintenance and utility costs are analysed as follows:

	2021	2020
	€	€
Building and infrastructure-related expenses	**259.710**	232.225
Electricity and other utility expenses	**810.900**	591.279
Refuse and cleaning expenses	**343.907**	311.717
Payroll and property management fees	**709.600**	656.255
Repairs and maintenance expenses	**472.454**	474.787
Security expenses	**494.767**	434.712
Marketing expense	**379.258**	362.975
Insurance expenses	**162.679**	146.327
Other sundry expenses	**70.533**	52.553
	3.703.808	3.262.830

The total fees charged by the Company’s statutory auditor for the statutory audit of the financial statements of the Company for the year ended 31 December 2021 amounted to €27.000 (2020: €27.000. The total fees charged by the Company’s statutory auditor for the year ended 31 December 2020 for tax advisory services and for other assurance services was €1.300 (31 December 2020: €1.300).

12. Staff costs

	2021	2020
	€	€
Salaries	**392.063**	361.288
Social security costs	**51.054**	45.780
GHS contribution	**4.268**	3.438
	447.385	410.506
Average number of employees	**14**	13

The above amounts are included in ‘’Property management, maintenance and utility costs’’ (refer to note 11).

13. Finance income

	2021	2020
	€	€
Finance income		
Bank interest	**35.245**	299.362
Interest from related parties	**25.810**	22.195
	61.055	321.557
Interest expense		
Loan interest	**(3.303.325)**	(3.858.405)
Bank overdraft interest	**(2.766)**	(15.283)
Provision for arbitration penalty interest (note 25)	**-**	(838.179)
Other	**(1.686)**	-
	(3.307.777)	(4.711.867)
Net finance costs	**(3.246.722)**	(4.390.310)

Refer to note 23 for interest capitalised on qualifying assets.

14. Tax

	2021	2020
	€	€
Corporation tax	**452.824**	-
Defence contribution	**26.812**	107.172
Deferred tax - charge/(credit) (Note 24)	**851.155**	(350.915)
Charge/(credit) for the year	**1.330.791**	(243.743)

The total charge for the year can be reconciled to the accounting profit as follows:

	2021	2020
	€	€
Profit/(loss) before tax	**16.196.702**	(3.846.564)
Tax calculated at the applicable tax rates	**2.024.588**	(480.821)
Tax effect of expenses not deductible for tax purposes	**199.873**	1.323.496
Tax effect of allowances and income not subject to tax	**(1.771.637)**	(652.417)
50% reduction in rental income - claimed as tax credit	**-**	(190.258)
Defence contribution current year	**26.812**	107.172
Deferred tax	**851.155**	(350.915)
Tax charge	**1.330.791**	(243.743)

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

15. Earnings/(loss) per share attributable to equity holders

	2021	2020
Profit/(loss) attributable to shareholders (€)	**14.865.911**	(3.602.821)
Weighted average number of ordinary shares in issue during the year	**100.000.000**	100.000.000
Profit/(loss) per share attributable to equity holders (cent) -basic and diluted	**14,87**	(3,60)

16. Property and equipment

	Artworks	Leasehold property improv.	Plant and machinery	Signs	Furniture, fixtures and office equipment	Computer hardware	Total
	€	€	€	€	€	€	€
Cost							
Balance at 1 January 2020	140.490	58.500	1.286.735	414.458	642.482	149.832	2.692.497
Additions	-	-	59.364	-	7.091	5.819	72.274
Balance at 31 December 2020/ 1 January 2021	**140.490**	**58.500**	**1.346.099**	**414.458**	**649.573**	**155.651**	**2.764.771**
Additions	-	-	27.305	-	9.267	-	36.572
Balance at 31 December 2021	**140.490**	**58.500**	**1.373.404**	**414.458**	**658.840**	**155.651**	**2.801.343**
Depreciation							
Balance at 1 January 2020	-	58.500	1.192.367	347.670	583.548	78.049	2.260.134
Charge for the year	-	-	32.873	13.016	3.910	36.154	85.953
Balance at 31 December 2020/ 1 January 2021	**-**	**58.500**	**1.225.240**	**360.686**	**587.458**	**114.203**	**2.346.087**
Charge for the year	-	-	33.376	11.292	12.214	36.633	93.515
Balance at 31 December 2021	**-**	**58.500**	**1.258.616**	**371.978**	**599.672**	**150.836**	**2.439.602**
Net book amount							
Balance at 31 December 2021	**140.490**	**-**	**114.788**	**42.480**	**59.168**	**4.815**	**361.741**
Balance at 31 December 2020	**140.490**	**-**	**120.859**	**53.772**	**62.115**	**41.448**	**418.684**

17. Investment property

	2021	2020 (restated)	2020 (as previously reported)
	€	€	€
Balance at 1 January	**198.450.000**	206.370.000	206.370.000
Additions	**676.340**	99.502	99.502
Adjustment to cost due to outcome of legal case (note 25)	**-**	150.549	150.549
Additions: lease incentives, concessions and def. income adjustment	**479.030**	910.000	-
Fair value adjustment based on external valuer's assessment (note 10)	**8.194.630**	(9.080.051)	(8.170.051)
Open market value per external valuation at 31 December	**207.800.000**	198.450.000	198.450.000
Adjustment for financial reporting purposes for lease incentives (note 10)	**-**	-	(910.000)
Balance at 31 December	**207.800.000**	198.450.000	197.540.000

The investment properties are valued annually at fair value, comprising open market value based on valuations by an independent, professionally qualified valuer. Fair value is based on an active market process, adjusted if necessary, for any differences in the nature, location or condition of the specific asset. If the information is not available, the Company uses alternative valuation methods such as recent prices or less active markets or discounted cash flow projections. These valuations are typically prepared annually by independent valuers and reviewed and adopted by management. Changes in fair value are recorded in profit or loss and are included in "fair value gains/(losses) on investment property". In arriving at open market value, Management takes into account any significant impact of lease incentives (such as relocation incentives, conditional discounts to tenants qualifying as rent concessions and any deferred income associated with future benefits accruing to the Company in relation to tenant contributions to the value of investment property) in order to avoid double counting in the Company's assets and liabilities. The adjustment as of 31 December 2021 for the aforementioned incentives, was derived from relocation incentives and unamortised discounts granted to tenants both classified under ''other assets'' (note 20) as well as from deferred income, classified under ''trade and other payables'' (note 26). Refer to note 4, ''Amendments in presentation within comparative financial information'', which details the changes in presentation adopted by Management in relation to the presentation of investment property.

The Company's investment property is measured at fair value. The Company holds one class of investment property being the Shacolas Emporium Park which includes a Shopping Mall, an IKEA store, Annex 3 and Annex 4. The year-end carrying value of the property, incorporates an amount of €643.587, being the fair value of a solar panel system, which is regarded as a integral part of the building. The Company has made an advance towards the cost of the installation of the solar panel during December 2021, amounting to €480.000. Full installation and commencement of operation is expected within 2022.

Valuation processes of the Company

The Company's investment properties were most recently valued by management as at 31 December 2021. The investment property portfolio is typically appraised on an annual basis.

Management exercises judgment in evaluating the unprecedented set of circumstances caused by COVID-19, which impacted the scope of the independent valuer's work. The latter's valuation was reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. This does not equate to limited or no reliability of the valuation which Management uses for the determination of fair value for financial reporting purposes, but rather provides further insight as to the market context under which the valuation was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, Management therefore will be revisiting the valuation of the property, as needed and required.

As part of the process for year end financial reporting purposes, Management took into account the external valuation prepared as at 31 December 2021 by independent professionally qualified valuers Landtourist Valuations LLC, who possess a recognised relevant professional qualification and have recent experience in the locations and segments of the Investment properties valued. For all investment properties, their current use equates to the highest and best use. The Company's finance department reviews the valuation performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between the CFO, Management, and the independent valuers at least once every year. At each financial year end the finance department:

17. Investment property (continued)

- verifies all major inputs to the independent valuation report
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

Management has considered key assumptions and they have concluded on a fair value gain of the investment property value of €8.194.630 (2020: €9.080.051 loss).

Bank borrowings are secured on the Company's investment property for €103.000.000 (31 December 2020: €103.000.000). The amount is limited to the outstanding book balance of bank borrowings as at 31 December 2021 of €90.021.751 (2020: €98.053.490) (note 23).

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Year end 31 December 2021:

Property	Valuation €	Valuation technique	Discount rate %	Terminal capitalisation rate %	Revenue in year 1 €	Revenue growth %
Cyprus	207.800.000	Income approach - Discounted cash flows	4,25 - 10,00	4,25 - 8,00	13.974.261	2,00 - 3,00

Year end 31 December 2020 (restated):

Property	Valuation €	Valuation technique	Discount rate %	Terminal capitalisation rate %	Revenue in year 1 €	Revenue growth %
Cyprus	198.450.000	Income approach - Discounted cash flows	4,25 - 9,75	4,25 - 8,00	13.672.250	1,30 - 2,60

17. Investment property (continued)

The following table analyses investment property carried at fair value, by valuation method. The different levels have been defined as follows:

• Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

• Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

• Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value measurement, based on the inputs to the valuation technique used at each of 31 December 2021 and 31 December 2020.

	2021	2020 (restated)	2020 (as previously reported)
Fair value hierarchy	**3**	3	€
	€	€	€
Opening fair value	**198.450.000**	206.370.000	206.370.000
Additions, including capitalised interest	**676.340**	250.051	250.051
Additions: lease incentives, concessions and def. income adjustment	**479.030**	910.000	-
Gains/(losses) from fair value adjustments on investment property - including the impact of adjustment for lease incentives	**8.194.630**	(9.080.051)	(9.080.051)
	207.800.000	198.450.000	197.540.000

Sensitivity of Management's estimates 31 December 2021

Description	Change in cap rate	Change in discount rate -0,50%	0,00%	0,50%
Cyprus Shopping Mall	-0,50%	224.520.095	219.963.207	215.525.581
	0,00%	212.039.378	207.800.000	203.607.804
	0,50%	201.352.539	197.325.241	193.402.740
	Change in revenue			
Cyprus Shopping Mall	-10,00%	190.455.870	186.620.008	182.884.246
	0,00%	212.039.378	207.800.000	203.607.804
	10,00%	233.622.887	228.915.709	224.331.362

Sensitivity of Management's estimates 31 December 2020 (restated)

Description	Change in cap rate	Change in discount rate -0,50%	0,00%	0,50%
Cyprus Shopping Mall	-0,50%	214.528.626	210.162.908	205.911.639
	0,00%	202.537.289	198.450.000	194.462.583
	0,50%	192.285.196	188.429.290	184.673.870
	Change in revenue			
Cyprus Shopping Mall	-10,00%	181.798.416	178.126.368	174.550.295
	0,00%	202.537.289	198.450.000	194.462.583
	10,00%	223.276.162	218.766.587	214.374.872

A change in the vacancy rate by 5%, i.e. the occupied spaces decreasing to 95% of the available area for tenancy, would lead to a decrease of the fair value from the base scenario by €9.078.452 (2020: €8.088.650), i.e. bringing fair value to €198.721.548 at 31 December 2021 (2020: €190.361.350).

Revenues are derived from a large number of tenants and no single tenant or group under common control contributes more than 25% of the Company's revenues.

There are no significant inter-relationships between unobservable inputs (i.e. changes in specific inputs does not imply that direct changes to other inputs would occur). Increase/decrease in the rental income per square meter results in higher/lower fair value. Increase/decrease in rental yield results in lower/higher fair value. An increase in the future rental income may be linked with higher costs. If the remaining lease term increases the yield may decrease.

Valuation techniques underlying management's estimation of fair value

The valuation was determined using discounted cash flow projections based on significant unobservable inputs. These inputs include:

Future rental cash inflows	Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;
Discount rates	Reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
Estimated vacancy rates	Based on current and expected future market conditions after expiry of any current lease
Capitalisation rates	Based on actual location, size and quality of the properties and taking into account market data at the valuation date;

Sensitivity analysis has been presented for discount rates, capitalisation rates and vacancy rates, which rank as the most significant on an impact basis.

For land and buildings with a total carrying amount of €207.800.000 ,the valuation was determined using discounted cash flow projections, as subsequently adjusted for financial reporting purposes. Properties valued using the discounted cash flows model take into account future rental values, vacant spaces and maintenance costs discounted to the present value using an estimated discount rate. These values are adjusted for differences in the market conditions such as demand and finance affecting market sales. The most significant input into this valuation approach is license fees and discount rates. The external valuer applies as a cross check to the DCF method, the Income Capitalisation approach, through which the maximum potential income of the properties is estimated and capitalised with the appropriate rate of return. Both the primary and the secondary methods yield similar outcomes.

18. Loans receivable

	2021	2020
	€	€
Loans to parent (Note 28.4)	**883.144**	372.458
	883.144	372.458

The loans are repayable as follows:

	2021	2020
	€	€
Within one year	**883.144**	372.458

The exposure of the Company to credit risk in relation to loans receivable is reported in note 6 of the financial statements.

The restructuring deal that took place during 2019 between the Company, its parent (Atterbury Cyprus Limited), its fellow subsidiary (The Mall of Engomi (ME) Plc) and Bank of Cyprus Company Limited, has resulted with a loan due by the Company to Atterbury Cyprus Limited amounting as at 31 December 2019 to €2.649.736, bearing interest of 3 month Euribor plus 4,38%. No terms or conditions had been agreed for its repayment and security and thus the loan was considered to be current. During 2020, the entire outstanding loan balance was settled by the Company and an excess amount paid was regarded as a loan given by the Company to its parent, under the same terms. During 2020, the applicable interest rate was changed to 3 month Euribor plus 4,08% which remained throughout 2021 and interest income earned of €25.811 (2020: €22.195), was recognised in profit or loss in ''finance income'' (note 13).

19. Trade and other receivables

	2021	2020
	€	€
Trade receivables - gross	**1.868.677**	4.005.641
Other receivables - gross	**269.795**	278.553
Less: provision for impairment of receivables	**(851.650)**	(1.928.627)
Trade receivables - net	**1.286.822**	2.355.567
Receivables from related parties (Note 28.3)	**231.025**	31.616
Unbilled service charges and additional licence fees to tenants	**298.088**	-
	1.815.935	2.387.183

The Company has recognised a net impairment gain of €415.354 (2020: €1.363.772 loss) on its trade receivables during the year ended 31 December 2021.

Other receivables primarily relate to amounts due for road construction works done in close proximity to the Mall, which the Company has a claim for from the local municipality. Such amounts are considered doubtful as the timing and extent of their recovery are not readily determinable, and are therefore provided for.

Unbilled service charges and additional licence fees to tenants mainly relate to: (i) additonal licence fees recognised during the year not yet invoiced as at the year end and, (ii) common expenses incurred but not recharged to the tenants as at the year end. The Company had not, by year end, invoiced in full eligible amounts to be recharged to tenants. The billings took effect in 2022.

19. Trade and other receivables (continued)

Movement in provision for impairment of receivables:

	2021	2020
	€	€
Balance at 1 January	**1.928.627**	564.855
Net impairment (gains)/losses recognised on receivables	**(415.354)**	1.363.772
Set offs against gross trade receivables	**(661.623)**	-
Balance at 31 December	**851.650**	1.928.627

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the financial statements.

20. Prepayments and other assets

	2021	2020 (restated)	2020 (as previously reported)
	€	€	€
Prepayments	**568.523**	381.490	379.682
Other assets - relocation incentives granted to tenants (amount prior to transfer to ‘’investment property’’)	**154.681**	412.151	412.151
Other assets - unamortised discounts granted to tenants (amount prior to transfer to ‘’investment property’’)	**1.371.565**	857.090	857.090
Less: reclassification of incentives and discounts to tenants to investment property (note 17)	**(1.526.246)**	(1.269.241)	-
Balance at 31 December	**568.523**	381.490	1.648.923
Less non-current portion	**(66.210)**	(114.225)	(730.307)
Current portion	**502.313**	267.265	918.616

Prepayments at 31 December 2021 include a balance of €114.225 (2020: €228.450) that relates to the capitalisation of specific expenditure during the year 2018, which is being recharged to the Company's tenants at the rate of 20% (i.e. over 5 years from the date of occurrence) on a straight line basis (such amounts are transferred from "prepayments" to "trade and other receivables" upon billing).

"Other assets - relocation incentives granted to tenants" relate to expenses incurred by the Company towards relocation incentives to existing tenants due to the recent expansion in the Mall of Cyprus (completed in 2019). Relocation incentives were provided mainly to aid tenants throughout the re installation and refitting works in transforming newly occupied space for the tenants’ specific business operations and needs. Management is of the opinion, that these relocation incentives do not increase the investment property’s fair value, since (i) these contributions have mainly resulted in tenant leasehold improvements and (ii) these incentives were not essential for vacating any of the tenants in order to fulfil the expansion work plan.

"Other assets – unamortised discounts granted to tenants" relates to conditional discounts provided by the Company during the 2020 and 2021 financial years to it's tenants. The discounts were granted due to the recent development of the COVID-19 outbreak. Discounts were given to aid the tenants with the disruption of their normal operations, following a number of measures in force such as full lock down periods during the years. The discounts qualify as rent concessions/lease modifications under IFRS16.

Both the aforementioned relocation incentives and discounts granted to tenants, are amortised to profit or loss over the remaining duration or term of each corresponding individual license/lease agreement. During the current year, no additional amount was incurred and recognised as additions in other assets regarding relocation incentives (2020: € Nil). €257.470 (2020: €257.466) has been discharged to profit or loss (refer to note 8) with regards to these incentives. In addition an amount of €1.969.102 (2020: €1.271.285) was incurred and recognised in other assets regarding discounts, of which €1.454.627 (2020: €414.195) has been discharged to profit or loss (refer to note 8).

The incentives and discounts to tenants at each reporting date, are reclassified for fair value estimation purposes, to investment property, prior to the remeasurement of the latter to its fair value (note 17).

21. Cash at bank and in hand

Cash balances are analysed as follows:

	2021	2020
	€	€
Cash in current accounts and in hand	**343.796**	177.655
Notice accounts	**5.108.643**	7.943.128
	5.452.439	8.120.783

Management considers the deposits to fully meet the definitions of "cash equivalents", based on the agreed terms with Bank of Cyprus. Bank of Cyprus is the sole credit institution with which cash is held by the Company. Interest on short term bank deposits accrues at the annual rate between 0% and 3,40%.

Reconciliation of liabilities arising from financing activities (refer to note 23)

	Bank loans (excluding overdrafts)	Loans from related parties	Total
	€	€	€
Balance at 1 January 2021	95.540.659	-	95.540.659
Repayment of principal	(8.295.646)	-	(8.295.646)
Repayment of interest	(2.960.204)	-	(2.960.205)
Interest expense	3.233.515	-	3.233.516
Non-cash changes:			
Commitment and commission fees amortised	69.810	-	69.810
Additions	-	600.000	600.000
Balance at 31 December 2021	**87.588.134**	**600.000**	**88.188.134**

	Bank loans (excluding overdrafts)	Loans from related parties	Total
	€	€	€
Balance at 1 January 2020	103.049.149	2.649.736	105.698.885
Cash flows:			
Repayment of principal	(9.877.884)	(2.473.325)	(12.351.209)
Repayment of interest	(980.249)	(176.411)	(1.156.660)
Interest expense	3.858.404	-	3.858.404
Non-cash changes:			
Fair value gains	(233.761)	-	(233.761)
Commitment and commission fees capitalised	(275.000)	-	(275.000)
Balance at 31 December 2020	**95.540.659**	**-**	**95.540.659**

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

22. Share capital

	2021 Number of shares	2021 €	2020 Number of shares	2020 €
Authorised				
Ordinary shares of €0,50 each	**171.000.000**	**85.500.000**	171.000.000	85.500.000
Issued and fully paid				
Balance at 1 January	**100.000.000**	**50.000.000**	100.000.000	50.000.000
Balance at 31 December	**100.000.000**	**50.000.000**	100.000.000	50.000.000

23. Borrowings

	2021 €	2020 €
Balance at 1 January	**95.540.659**	106.279.231
Additions	**600.000**	-
Repayments	**(11.255.850)**	(14.103.498)
Interest expense	**3.233.515**	3.873.687
Gain on modification of borrowings	**-**	(233.761)
Commitment and commission fees capitalised	**69.810**	(275.000)
Balance at 31 December	**88.188.134**	95.540.659

	2021 €	2020 €
Current borrowings		
Bank loans	**3.756.647**	6.379.464
Loan from parent company (Note 28.6)	**600.000**	-
	4.356.647	6.379.464
Non-current borrowings		
Bank loans	**83.831.487**	89.161.195
Total	**88.188.134**	95.540.659

(a) Bank loans

On 22 July 2019 and subsequently revised and amended on 27 July 2020, the Company together with its parent and its fellow subsidiary, entered into a new loan agreement with Bank of Cyprus Public Company Limited for the purposes of refinancing existing banking facilities available to the Group at that time. The agreement comprises four distinct facilities as shown in the table below:

Facility	Commitment	Interest rate per initial agreement	Interest rate per amendment agreement	Maturity
Facility A	€20.000.000	3m Euribor + 4,00%	3m Euribor + 3,40%	15/06/2027
Facility B	€90.000.000	3m Euribor + 3,71%	3m Euribor + 3,40%	16/10/2033
Facility C	€18.900.000	3m Euribor + 3,65%	3m Euribor + 3,40%	15/05/2031
Ancillary Facility	€3.000.000	3m Euribor + 4,20%	3m Euribor + 4,20%	N/A

23. Borrowings (continued)

The ancillary facility represents the aggregated amount of overdrafts of the Company and its fellow subsidiary, amounting to €2.000.000 and €1.000.000 respectively.

On 10 October 2019, the Bank of Cyprus Public Company Limited syndicated a portion of Facility B (a principal amount of €27 million) to Eurobank Cyprus Ltd, as permitted by the agreement, on the same terms and conditions as set out in the facility agreement.

The bank has imposed the following covenants, in respect of the Group (defined as the Company, its parent and fellow subsidiary) on the agreement:

•Debt Service Cover Ratio: no less than or equal to 1.1 times

•Debt to Equity Ratio: shall not exceed 1.4 times

•Loan to Value Ratio: shall not exceed 60%

The proceeds raised from Facility B was used to refinance various existing facilities.

On 10 October 2019, the Bank of Cyprus Public Company Limited syndicated a portion of Facility B (a principal amount of €27 million) to Eurobank Cyprus Ltd, as permitted by the agreement, on the same terms and conditions as set out in the facility agreement.

The bank loans are secured as follows:

a) Atterbury Cyprus Limited guaranteed the loans of the Company up to an amount of €134.400.000.

b) The Mall of Engomi (ME) Plc guaranteed the loans of the Company up to an amount of €134.400.000.

c) By floating charge of €86.000.000 on the assets of the Mall of Cyprus (MC) Plc.

d) By the assignment of €86.000.000 from the rights of use of space in the Shacolas Emporium Park.

Securities are limited to the outstanding book balance of bank borrowings as at 31 December 2021 of €90.021.751 (2020: €98.053.490).

(b) Loans due to parent company

The outstanding amount is interest free. The balance at period end, of €600.000, corresponds to the repayment by the parent of the payable in relation to the "Loizos" case (refer to note 25)

Maturity of non-current borrowings:

	2021	2020
	€	€
Between one to two years	**3.615.157**	6.600.428
Between two and five years	**11.635.406**	21.200.712
After five years	**68.580.924**	61.360.055
	83.831.487	89.161.195

The weighted average effective interest rates at the reporting date were as follows:

	2021	2020
	%	%
Bank loans	**3,44**	3,63

The carrying amount of borrowings approximate their fair value.

24. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 14). The applicable corporation tax rate in the case of tax losses is 12,5% (there are no tax losses available for offset at 31 December 2021 and 2020 respectively).

Deferred tax liability

	2021	2020
	€	€
Balance at 1 January	**18.354.879**	18.705.794
Fair value gains/(losses) on investment property	**376.900**	(979.157)
Difference between depreciation and wear & tear allowances	**409.944**	521.107
Accelerated tax benefit - discounts granted to tenants	**64.311**	107.135
Balance at 31 December	**19.206.034**	18.354.879

Deferred taxation liability arises as follows:

	2021	2020
	€	€
Accelerated tax depreciation - discounts granted to tenants	**171.446**	107.135
Fair value gains on investment property	**11.877.122**	11.500.222
Difference between depreciation and wear & tear allowances	**7.157.466**	6.747.522
	19.206.034	18.354.879

The Company recognises deferred tax attributed to the following:

• Differences between wear & tear allowances and depreciation: The Company recognises deferred tax liabilities at each reporting period end between the assessed disposal value of eligible assets used in the business (property and equipment and buildings under investment property) and their tax written down values, taking into account the result of balancing additions that would arise for income tax purposes. The applicable rate is 12.5%.

• Differences on revaluation of investment property: Land and Buildings classified as investment property, upon disposal would be taxed under the capital gains regime, at the rate of 20%.

• Differences due to discounts to tenants: Deferred tax liability arises based on the full claim during the years 2020 and 2021 of the corporation tax effect for the entire discounts granted to tenants. The amortisation of the capitalised amounts with respect to such discounts will be over the remaining duration of each corresponding lease agreement (Note 20), will be ignored in arriving at future taxable profits, as such a timing difference arises.

25. Provisions for other liabilities and charges

	Financial guarantee contracts €	Legal claims €	Total €
Balance at 1 January 2020	-	1.500.000	1.500.000
Adjustment to cost of investment property (note 17)	-	150.549	150.549
Charged to profit or loss (note 11, note 13)	26.640	952.051	978.691
Balance at 31 December 2020/ 1 January 2021	**26.640**	**2.602.600**	**2.629.240**
Transfer to "trade and other payables"	-	(2.500.000)	(2.500.000)
Transfer to profit or loss as "other income" (note 9)	-	(102.600)	(102.600)
Charged to profit or loss (note 11)	19.808	-	19.808
Balance at 31 December 2021	**46.448**	**-**	**46.448**

Provisions for other liabilities-legal claims:

Provision for legal claims at 31 December 2020, represented Management's best estimate of obligations that might arise from the crystallisation of claims, including legal actions made against it, by the primary constructor of the Mall of Cyprus. On 31 August 2020, an arbitration ruling was issued, based on which the counterparty had been awarded €1.650.549 plus delayed payment interest, with the total amount burdening the Company as of the date of the decision, including interest (up to 31 December 2020) as well as associated arbitration fees, amounting to €2.602.600.

The former owner of the Company contractually indemnified Atterbury Cyprus Limited at the time of becoming a shareholder of the Company, of any losses that might crystalise in connection with the above deliberations.

During 2021, the Company entered into a settlement agreement, which revised the final obligation to €2,5 million. As such, €102.600 has been released in profit or loss as "other income", with the remainder reclassified to trade and other payables.

Provision on financial guarantee contracts:

This relates to the Company's estimated provisions in respect of the financial guarantees provided for bank loans of its parent and fellow subsidiary. The above estimate is the 12-month ECL, taking into account the probability of default of the guaranteed parties, the exposure at default and the loss given default. The Company acts as joint guarantor for bank loans of its parent and fellow subsidiary, with the amount of the guarantees at €38.800.000. Guarantees are limited to the outstanding book amount of the loan balances of The Mall of Engomi (ME) plc of €29.966.041 (2020: €18.198.215).

26. Trade and other payables

	2021	2020 (restated)	2020 (as previously reported)
	€	€	€
Trade payables	**2.390.994**	609.041	609.041
Retentions for construction work on investment property	**3.673**	164.839	164.839
Cash guarantee	**198.018**	124.470	124.470
VAT and other payables	**677.502**	831.842	831.842
Accruals	**-**	420.293	420.293
Deposits by tenants	**1.867.556**	1.870.871	1.870.871
Deferred income (amount prior to transfer to ''investment property'')	**137.216**	357.433	357.433
Less: deferred income transferred to ''investment property''	**(137.216)**	(357.433)	-
Payables to related companies (Note 28.5)	**-**	21.776	21.776
	5.137.743	4.043.132	4.400.565
Less non-current payables	**(1.836.045)**	(1.851.699)	(2.008.133)
Current portion	**3.301.698**	2.191.433	2.392.432

"Deposits by tenants" relate to security deposits made by tenants upon the inception of their license/lease agreements. These security deposits will be refunded by the Company to the tenants upon the termination of their lease terms, if all set requirements are met. The Company accounts for these security deposits as a financial liability at amortised cost. Where some license/lease agreements do not stipulate any interest accruing to the tenants' security deposits, the Company applies a market related effective interest rate to account for the finance income and expense element, if evaluated as significant.

"Deferred income" relates to capital expenditure incurred by the Company on behalf of certain tenants, in transforming/enhancing the space occupied in the Mall of Cyprus with individualised features and improvements, and which have resulted in enhancements in the fair value of the investment property. For the Company to recognise any deferred income, enhancements should be contractually provisioned to remain within the Company's ownership. Hence the tenant not occupying any claims for any contributions made. Amounts recognised in profit or loss under ''Revenue'', are based on the duration of each individual corresponding license/lease contract (note 8). Deferred income at each reporting date, is reclassified for fair value estimation purposes, to investment property, prior to the remeasurement of the latter to its fair value (note 17).

"Retentions for construction works on investment property" concern amounts payable to the primary suppliers of construction services for the recent expansion project of the Mall of Cyprus, which are temporarily withheld on the basis of a predetermined period after conclusion of the works.

The fair values of trade and other payables (excluding accruals and deferred income) due within one year approximate to their carrying amounts as presented above.

27. Refundable taxes

	2021	2020
	€	€
Corporation tax (refundable)	**(266.166)**	(140.990)
	(266.166)	(140.990)

28. Main shareholders and related party transactions

In accordance with IAS 24 "Related Party Disclosures", parties are considered to be related if one party has the ability to control the other party, is under common control, or exercise significant influence over the other party in making financial and operational decisions. Related Parties also include members of the Board and key members of the management. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

28. Main shareholders and related party transactions (continued)

The Company is controlled by Atterbury Cyprus Limited, incorporated in Cyprus, which owns 99,67% of the Company's shares at the reporting date and at the date of approval of these financial statements.

Atterbury Cyprus Limited is controlled by Atterbury Europe B.V., incorporated in Netherlands, which owns 97,50% of the former.

The main shareholders of the Company as at 31 December 2021 and 31 December 2020 are (i) Brightbridge Real Estate Limited (Cyprus) through its indirect 36,43% shareholding in Atterbury Cyprus Limited (the parent company), (ii) RMB Holdings Limited (South Africa) through its indirect 36,43% shareholding in Atterbury Cyprus Limited and (iii) Business Venture Investments No 1360 (Pty) Ltd (South Africa) through its indirect 24,30% shareholding in Atterbury Cyprus Limited.

The following transactions were carried out with related parties (refer also to notes 18, 19 and 23 for further information on borrowings with related parties):

28.1 Directors' remuneration

The remuneration of Directors was as follows:

	2021	2020
	€	€
Directors' fees	**2.500**	2.500
	2.500	2.500

28.2 Purchases of services / finance charges

	Nature of transactions	**2021** €	2020 €
Fliptype Holdings Limited - direct shareholder	Management fee charges	**218.525**	184.419
Atterbury Cyprus Limited - direct shareholder	Corporate service charges	**73.198**	73.198
Atterbury Europe Services B.V.	Management and commission fee charges	**671.325**	553.252
Atterbury Cyprus Limited - direct shareholder	Interest on loan	**25.810**	22.195
		988.858	833.064

Management fees, commissions, and corporate service charges are recognised in ''Administration and other operating expenses''. An agreed portion of these fees is rechargeable to tenants as an agreed property management fee and classified under ''service charges, common use expenses and property management fees''.

28.3 Receivables from related parties (Note 19)

Name	**2021** €	2020 €
The Mall of Engomi (ME) Plc	**231.025**	31.616
	231.025	31.616

The above is unseccured, does not bear any interest and has no specified repayment date.

28.4 Loans to related parties (Note 18)

	2021 €	2020 €
Atterbury Cyprus Limited	**883.144**	372.458
	883.144	372.458

During the year, the parent company made repayments of amount €700.000 to the Company and received €1.184.875 from the Company in relation to the loan described in note 18.

28. Main shareholders and related party transactions (continued)

28.5 Payables to related parties (Note 26)

Name	**2021** €	2020 €
Atterbury Cyprus Limited	**-**	21.776
	-	21.776

The current account balances with related parties do not bear any interest and have no specified repayment terms.

28.6 Loan from parent company (Note 23)

	2021 €	2020 €
Atterbury Cyprus Limited - parent entity	**600.000**	-
	600.000	-

The loan from the parent was provided interest free, and there was no specified repayment date.

29. Guarantees

The following guarantees were provided to the Company by its parent company and other related entities as security for its bank borrowings:

a) Atterbury Cyprus Limited guaranteed the loans of the Company up to an amount of €134.400.000.

b) The Mall of Engomi (ME) Plc guaranteed the loans of the Company up to an amount of €134.400.000

30. Contingent liabilities

The Company acts as a guarantor to the bank loan of fellow subsidiary The Mall of Engomi (ME) Plc up to an amount of €23.200.000 and €15.600.000. It is not expected that any loss will result from such guarantees provided by the Company, since the property of the borrower is also pledged as security.

31. Commitments

License fee/Operating lease commitments where the Company is the lessor

License fee

The Company's license fee/operating lease income is derived from income from rights for use of space.

Rental income on land assets

The Company entered into an agreement to lease out part of the land owned by it. The lessee constructed on this land a retail outlet (IKEA). The lease term signed is for a period of 14 years and 10 months. At the end of the lease period the lessee has the right to extend the lease term for another 14 years and 10 months and at the end of the first extension the lessee has the right for a second extension of 14 years and 10 months.
The Company leases out its investment property. The future minimum lease payments under non-cancellable leases are as follows:

	2021	2020
	€	€
Within one year	**12.667.895**	11.103.542
Between one and five years	**20.950.334**	19.055.774
After five years	**9.633.374**	6.231.932
	43.251.603	36.391.248

A detailed maturity analysis of operating lease payments for year 2021 and 2020, is provided below:

	As at 31/12/2021	As at 31/12/2020
	€	€
Year 1	**12.667.895**	11.103.542
Year 2	**7.209.437**	7.225.423
Year 3	**6.102.210**	5.250.400
Year 4	**4.599.257**	4.020.023
Year 5	**3.039.430**	2.559.928
Year 6 onwards	**9.633.374**	6.231.932
Total	**43.251.603**	36.391.248

Operating leases, in which the Company is the lessor, relate to investment property owned by the Company with varying duration lease terms. Where applicable, operating lease contracts contain market review clauses in the event that the lessee is given an option to renew. Lessees do not have an option to purchase the property at the expiry of the lease period.

The Company is exposed to changes in the residual value of investment property at the end of current lease agreements. The residual value risk born by the Company is mitigated by active management of its property with the objective of optimising and improving tenant mix in order to:

- achieve the longest weighted average lease term possible;

- minimise vacancy rates across all properties; and

- minimise the turnover of tenants of high credit rating and business prospects.

The Company also grants lease incentives to encourage key tenants to remain in the Mall for longer lease terms. In the case of anchor tenants, this also attracts other tenants to the property thereby contributing to overall occupancy levels. Lease agreements generally include a clause requiring the tenant to reinstate the leased space to its original state when the lease expires the tenant decides not to renew the lease agreement. This contributes to the maintenance of the property and allows for the space to be re let on a timely basis, once a tenant has departed.

31. Commitments (continued)

In addition, the Company has a regular capitalised expenditure plan thoroughly considered by the Asset Management function of the Atterbury Group, to keep properties in line with market standards and trends.

32. Events after the reporting period

Depending on the duration and levels of COVID-19 the Company may be impacted on an operational level which could result in a decline in financial results and fair value losses on its assets.

On 24 February 2022, Russia launched a military operation in Ukraine. Many governments are taking increasingly stringent measures against Russia and Belarus. These measures have already slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time. The conflict may have serious consequences on the Cyprus economy and also worldwide, which are difficult to precisely estimate. The main concern at the moment is the rise of inflation, the uncertainty mainly about tourism and financial services and the increase in the price of fuel, which will affect household incomes and business operating costs.

Furthermore, on 2 March 2022, the board of directors of the Company approved the payment of an interim dividend amounting to €3.400.000 to its shareholders.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 7 to 11