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Half-Yearly Financial Report

The Mall of Engomi (ME) Plc

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

Please find attached the below Announcement.

Attachment:

1. **Announcement**

Non Regulated

Publication Date: 29/09/2021

THE MALL OF ENGOMI (ME) PLC

UNAUDITED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2021 TO 30
JUNE 2021

THE MALL OF ENGOMI (ME) PLC

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

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THE MALL OF ENGOMI (ME) PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Martin Olivier George Mouskides Takis Christodoulou John George Mavrokordatos
Company Secretary:	Montrago Services Limited
Legal Advisers:	Elias Neocleous & Co 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:	HE75033

MANAGEMENT REPORT

The Board of Directors of The Mall of Engomi (ME) Plc (the "Company") presents to the members its Management Report and unaudited condensed interim financial statements of the Company for the period from 1 January 2021 to 30 June 2021.

Principal activities and nature of operations of the Company
The principal activities of the Company, which are unchanged from last period, is the leasing/granting of rights of use of space of its property, the shopping Mall "The Mall of Engomi", for retail/commercial purposes.

Review of current position, and performance of the Company's business
The Company's turnover for the period from 1 January 2021 to 30 June 2021 was €936.734 compared to €1.464.621 for the period ended 30 June 2020. The operating profit of the Company for the period was €269.139 (period ended 30 June 2020: loss €806.634).

The loss after tax of the Company for the period from 1 January 2021 to 30 June 2021 amounted to €15.601 (2020: €793.687).

On 30 June 2021 the total assets of the Company were €45.830.048 (31 December 2020: €41.033.524) and the net assets of the Company were €16.679.230 (31 December 2020: €16.694.831). The financial position, development and performance of the Company as presented in these unaudited condensed interim financial statements are considered satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in note 1 of the condensed interim financial statements.

Future developments of the Company
The Board of Directors does not expect any significant changes in the operations, financial position and performance of the Company in the foreseeable future. Recognising the need to react to competition and for maximisation of the potential of the property owned, the Company has entered, during year 2020, into a comprehensive redevelopment plan, aiming at upgrading the Mall of Engomi to meet changing market needs and challenges. The said process is currently at the final stage of redevelopment, and is expected to be fully completed within 2021.

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.

Risk management is carried out by Management and approved by the Board of Directors. Management identifies and, evaluates financial risks in close co-operation 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 30 June 2021 are at variable rates.

As at 30 June 2021, the Company's liabilities which bore variable interest rates amounted to €27.414.474. 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 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 30 June 2021 the Company's credit risk arises from trade receivables (net of Expected Credit losses) amounting to €814.868, loans receivable from related parties amounting to €3.715.508 and bank balances amounting to €657.607 (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 30 June 2021 the Company's net debt amounted to €26.756.783 (31 December 2020: €21.276.171) and total equity of €16.664.177 (31 December 2020: €16.694.831) leading to a gearing ratio of 62,2% (2020: 56,03%).

Results
The Company's results for the period are set out on page 6.

Dividends
The Board of Directors does not recommend the payment of a dividend.

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

Operating environment of the Company and going concern assessment
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. The 2021 recovery is expected to be only partial and will most likely not be sufficient to reinstate the country to pre-COVID-19 conditions. Restrictive measures to tackle the pandemic, the resulting loss of income and employment despite government support measures, also have a negative impact on the consumer spending. The operating environment has a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results, particularly due to the recent outbreak and rapid development of COVID-19. Further details are presented in Note 1.

Board of Directors
The members of the Company's Board of Directors as at 30 June 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 period from 1 January 2021 to 30 June 2021.

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 25 to 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:

	30 June 2021 Percentage of shareholding %	27 September 2021 Percentage of shareholding %
Direct shareholder:		
Atterbury Cyprus Limited	99,50	99,50
Indirect shareholders (through their indirect holdings in Atterbury Limited):		
RMH Property Holdco 2 (Pty) Ltd (South Africa)	36,38	36,38
Business Venture Investments No 1360 (Pty) Ltd (South Africa)	24,25	24,25
Brightbridge Real Estate Ltd	36,38	36,38

By order of the Board of Directors,

Montrago Services Limited
Secretary

Nicosia, 27 September 2021

MONTRAGO SERVICES LIMITED

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 10 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 Engomi (ME) Plc (the "Company") for the six months ended 30 June 2021, on the basis of our knowledge, declare that:

(a) The financial statements of the Company which are presented on pages 6 to 23:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 10, section (4) of the law, and

(ii) provide a true and fair view of assets and liabilities, the financial position and profit or loss of the Company, 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, 27 September 2021

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

	Note	**Six months ended 30 June 2021 €**	Six months ended 30 June 2020 €
Rights for use of space and other income	5	**936.734**	1.464.621
Other income	6	**12.760**	17.879
Fair value gain/(loss) on investment property	7	**5.000**	(1.946.217)
Administration and other operating expenses	8	**(685.355)**	(342.917)
Operating profit/(loss)		**269.139**	(806.634)
Finance income	9	**77.818**	85.082
Finance costs	9	**(369.166)**	(411.916)
Gains on borrowings modifications		**-**	27.174
Loss before tax		**(22.209)**	(1.106.294)
Income tax credit	10	**6.608**	312.607
Loss for the period		**(15.601)**	(793.687)
Other comprehensive income		**-**	-
Total comprehensive loss for the period		**(15.601)**	(793.687)
Loss per share attributable to equity holders (cent)	**11**	**(0,16)**	(7,94)

The notes on pages 10 to 23 form an integral part of these condensed interim financial statements.

THE MALL OF ENGOMI (ME) PLC

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2021

	Note	30 June 2021 €	31 December 2020 (audited) €
ASSETS			
Non-current assets			
Property and equipment		3.190	323
Investment property	12	40.493.791	33.820.000
Other assets	15	120.000	120.000
		40.616.981	33.940.323
Current assets			
Trade and other receivables	14	814.868	1.485.057
Loans receivable	13	3.715.508	3.887.690
Other assets	15	25.000	30.000
Cash at bank and in hand	16	657.691	1.690.454
		5.213.067	7.093.201
TOTAL ASSETS		45.830.048	41.033.524
EQUITY AND LIABILITIES			
Equity			
Share capital	17	1.000.000	1.000.000
Other reserves		212.687	212.687
Retained earnings		15.466.543	15.482.144
Total equity		16.679.230	16.694.831
Non-current liabilities			
Borrowings	18	24.913.072	16.360.249
Trade and other payables	20	606.176	545.346
Deferred tax liabilities	19	-	15.053
		25.519.248	16.920.648
Current liabilities			
Trade and other payables	20	1.125.735	807.236
Borrowings	18	2.501.402	6.606.376
Current tax liabilities	21	4.433	4.433
		3.631.570	7.418.045
Total liabilities		29.150.818	24.338.693
TOTAL EQUITY AND LIABILITIES		45.830.048	41.033.524

On 27 September 2021 the Board of Directors of The Mall of Engomi (ME) Plc authorised these financial statements for issue.

John George Mavrokordatos
Director

George Mouskides
Director

The notes on pages 10 to 23 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

	Share capital €	Capital reserve €	Retained earnings €	Total €
Balance at 1 January 2020	**1.000.000**	**212.687**	**22.017.828**	**23.230.515**
Comprehensive income				
Net loss for the period	-	-	(793.687)	(793.687)
Balance at 30 June 2020	**1.000.000**	**212.687**	**21.224.141**	**22.436.828**
Balance at 1 January 2021	**1.000.000**	**212.687**	**15.482.144**	**16.694.831**
Comprehensive income				
Net loss for the period	-	-	(15.601)	(15.601)
Balance at 30 June 2021	**1.000.000**	**212.687**	**15.466.543**	**16.679.230**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1 March 2019, the deemed dividend distribution is subject to a 1,70% contribution to the General Healthcare System, increased to 2,65% from 1 March 2020, with the exception of April 2020 until June 2020 when the 1,70% rate was applicable. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

THE MALL OF ENGOMI (ME) PLC

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

	Note	**Six months ended 30 June 2021 €**	Six months ended 30 June 2020 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(22.209)**	(1.106.294)
Adjustments for:			
Depreciation of property and equipment		**202**	701
Fair value (gains)/losses on investment property		**(5.000)**	1.946.217
Amortisation of lease discounts		**5.000**	101.436
Impairment charge of trade receivables	14	**-**	23.000
Interest income	9	**(77.818)**	(85.082)
Finance costs	9	**369.166**	411.916
Gain on loan modification		**-**	(27.174)
		269.341	1.264.720
Changes in working capital:			
Changes in working capital		**1.049.518**	(395.595)
Cash generated from operations		**1.318.859**	869.125
Income tax paid		**(8.445)**	-
Net cash generated from operating activities		**1.310.414**	869.125
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property and equipment		**(3.069)**	-
Loans repayments received		**250.000**	-
Payment for investment property		**(6.668.791)**	-
Net cash used in investing activities		**(6.421.860)**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings, including interest		**(9.248.903)**	(489.000)
Proceeds from borrowings		**13.327.586**	-
Defence contribution on deemed distribution		**-**	(1.201)
Net cash generated from/(used in) financing activities		**4.078.683**	(490.201)
Net (decrease)/increase in cash and cash equivalents		**(1.032.763)**	378.924
Cash and cash equivalents at beginning of the period		**1.690.454**	657.721
Cash and cash equivalents at end of the period	**16**	**657.691**	1.036.645

The notes on pages 10 to 23 form an integral part of these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

1. Incorporation and principal activities

General

The unaudited condensed interim financial statements consist of the financial statements of The Mall of Engomi (ME) Plc. The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020.

Unaudited financial statements

The financial statements for the six months ended on 30 June 2021, have not been audited by the external auditors of the Company.

Operating Environment of the Company and going concern assessment

During 2020, the Company initiated a comprehensive redevelopment plan, aiming at the Mall of Engomi to be upgraded so as to meet changing market needs and challenges. The said process has been substantially completed within the 2021 year.

Despite the difficult situation that the Company's specific sector was faced with due to COVID-19, Management has carried out the successful implementation of the re-development plan, which should maximise the performance potential of the Company's operations.

The operating environment of the Company is susceptible to events caused by COVID-19. During the 6-month period ended 30 June 2021, there had been short-duration lockdowns which affected the operations of the Mall of Engomi at different time periods.

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 2020 and 30 June 2021. The Company's management has made an overall assessment of the financial reporting impact of the above events, but in particular:

(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

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty though, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome. Management's current expectations and estimates could differ from actual results.

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 scenario, 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 2022 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 Cyprus (MC) 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.
The Company has also secured additional funding in the form of a bridging loan from a related entity until the year 2021 which was repaid in full since a further bank loan disbursement was received.

- 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.

Up to the date of signing of these unaudited financial statements, the Company has entered into several agreements with tenants (including a considerable number of new tenants) as a consequence of the redevelopment plan, covering substantially the entire available area for leasing.

2. 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.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these condensed interim financial statements are consistent to those used in the audited financial statements for the period ended 31 December 2020, unless otherwise stated in relation to the application of the new IFRSs as from 1 January 2021.

The condensed interim financial statements of the Company have been prepared in accordance with th International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), including International Accounting Standards (IAS) 34 "Interim Financial Reporting" and the requirements of the Cyprus Companies Law, Cap.113 and the Cyprus Stock Exchange Laws and Regulations.

4. 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

Amendments

- *Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020 (All issued 14 May 2020) (effective for annual periods beginning on or after 1 January 2022).*

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

Amendments

- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020 and 15 July 2020 respectively) (effective for annual periods beginning on or after 1 January 2023).*

4. New accounting pronouncements (continued)

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

- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 12 - "Income Taxes": Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IFRS 16 Leases - Covid 19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021) (effective for annual periods beginning on or after 1 April 2021).*
- *Amendments to IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2023).*

The above are expected to have no significant impact on the Company's financial statements when they become effective. Management will consider the impact of adoption on a continuous basis.

5. Rights for use of space and other income

Disaggregation of revenue	**Six months ended 30 June 2021**	Six months ended 30 June 2020
	€	€
Rights for use of space - Minimum license fees	**652.113**	1.333.863
Less: Lease related expenses for discounts granted	**(5.000)**	(101.436)
Lease related income from tenant contributions	**-**	21.357
Total lease income	**647.113**	1.253.784
Revenue from service charge, utilities and other recoveries	**289.621**	210.837
Total revenue from contract with tenants	**936.734**	1.464.621

Income from "Rights of use of space" relates to tenancy agreements that were in effect during the period to 30 June 2021. During the previous year (as a result of the global pandemic COVID-19 and the lockdown period in Cyprus), conditional discounts have been granted to tenants. Amounts amortised under IFRS 16, are presented under "Lease related expenses for discounts granted".

6. Other income

	Six months ended 30 June 2021	Six months ended 30 June 2020
	€	€
Other lease related income	**12.760**	17.879
	12.760	17.879

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

	Six months ended 30 June 2021	Six months ended 30 June 2020
	€	€
Gain/(loss) on revaluation (note 12)	**5.000**	(1.946.217)
	5.000	(1.946.217)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

8. Administration and other operating expenses

	Six months ended 30 June 2021	Six months ended 30 June 2020
	€	€
Common expenses	**256.015**	24.813
Sundry expenses	**703**	482
Auditor's remuneration - current period	**6.500**	6.250
Legal fees	**4.805**	9.528
Cyprus stock exchange expenses	**6.750**	6.654
Directors' fees (note 22.1)	**1.250**	1.250
Other professional fees	**116.761**	58.718
Bank charges	**2.748**	684
Property management, maintenance and utility costs	**289.621**	210.837
Depreciation	**202**	701
Provision on trade receivables	**-**	23.000
	685.355	342.917

9. Finance income and cost

	Six months ended 30 June 2021	Six months ended 30 June 2020
	€	€
Finance income		
Interest income on loans to related parties	**77.818**	85.082
	77.818	85.082
Finance costs		
Interest on borrowings	**(369.166)**	(411.916)
	(369.166)	(411.916)
Net finance costs	**(291.348)**	(326.834)

10. Income tax expense/ (credit)

	Six months ended 30 June 2021	Six months ended 30 June 2020
	€	€
Corporation tax - current period	**-**	54.797
Corporation tax - prior years	**7.189**	-
Defence contribution - current period	**1.256**	-
Deferred tax - credit (Note 19)	**(15.053)**	(367.404)
Credit for the period	**(6.608)**	(312.607)

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%.

11. Loss per share attributable to equity holders

	2021	2020
Loss attributable to equity holders (€)	**(15.601)**	(793.687)
Weighted average number of ordinary shares in issue during the period	**10.000.000**	10.000.000
Loss per share attributable to equity holders - basic and diluted	**(0,16)**	(7,94)

12. Investment property

	30 June 2021 €	31 December 2020 €
Balance at 1 January	**33.820.000**	39.800.000
Redevelopment costs and other additions	**6.606.343**	4.322.678
Capitalisation of interest expenses	**62.448**	83.610
Fair value adjustment for the period (note 7)	**5.000**	(10.236.288)
	40.638.791	33.970.000
Adjustment for financial reporting purposes for lease incentives	**-**	(150.000)
Balance at 30 June/31 December	**40.493.791**	33.820.000

For year-end reporting purposes, 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 and 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 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".

The Company's investment property is measured at fair value. The Company holds one class of investment property being the Mall of Engomi.

Valuation processes of the Company

The Company's investment properties were most recently valued as at 31 December 2020, by independent and qualified valuers at 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:

- 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.

For the period ended 30 June 2021, Management has adjusted the latest valuation as of 31 December 2020, for the impact of unamortized lease incentives and considered the impact of capitalized interest and additional costs to completion incurred since the previous year end.

Bank borrowings are secured on the Company's investment property for €31.211.817 (31 December 2020: €31.211.817).

12. Investment property (continued)

Fair value hierarchy

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 categorized as a Level 3 fair value based on the inputs to the valuation technique used at 31 December 2020.

Valuation technique and significant unobservable inputs

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

Year end 31 December 2020:

Property	Valuation €	Valuation technique	Discount rate %	Terminal capitalisation rate %	Revenue in year 1 €	Revenue growth %
Cyprus	33.820.000	Income approach - Discounted cash flows	10,00	8,25	2.925.344	1,3

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;
Cash outflows of capital nature, in connection with the redevelopment	Reflecting the estimated costs to complete the property redevelopment exercise;
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.

12. Investment property (continued)

For land and buildings 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.

13. Loans receivable

	30 June 2021	31 December 2020
	€	€
Balance at 1 January	**3.887.690**	3.807.035
Repayments	**(250.000)**	-
Interest charged (Note 22.2)	**77.818**	156.948
Set-off of balance	**-**	(76.293)
Balance at 30 June/31 December	**3.715.508**	3.887.690

	30 June 2021	31 December 2020
	€	€
Loans to parent (Note 22.4)	**3.715.508**	3.887.690
	3.715.508	3.887.690
Less current portion	**(3.715.508)**	(3.887.690)
Non-current portion	**-**	-

The effective interest rates on receivables (current and non-current) were as follows:

	30 June 2021	31 December 2020
Loans to parent	**4,08%**	4,08%

14. Trade and other receivables

	30 June 2021	31 December 2020
	€	€
Trade receivables	**434.980**	203.577
Less: provision for impairment of receivables	**(40.341)**	(40.341)
Trade receivables - net	**394.639**	163.236
Deposits and prepayments	**420.229**	-
Advances to subcontractors	**-**	1.321.821
	814.868	1.485.057

Deposits and prepayments mainly relate to property redevelopment capital expenditure and refundable deposits to utility authorities.

Advances to subcontractors relate to the redevelopment works for the Mall expansion. During the period ended 30 June 2021, the advances outstanding have been capitalised on investment property upon work certified, since the redevelopment project has been substantially completed.

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15. Other assets

	30 June 2021 €	31 December 2020 €
Balance at 1 January	**150.000**	-
Unamortised discount granted to tenants	-	150.000
Amortisation of discounts granted to tenants, against revenue	**(5.000)**	-
Balance at 30 June/31 December	**145.000**	150.000
Less non-current portion	**(120.000)**	(120.000)
Current portion	**25.000**	30.000

Unamortised discounts granted to tenants relate to a one-off special discount against future rentals given to certain tenants. These are to be amortised to profit or loss over the duration or term of each corresponding individual licence/lease agreement.

16. Cash at bank and in hand

Cash balances are analysed as follows:

	30 June 2021 €	31 December 2020 €
Cash at bank and in hand	**657.691**	1.690.454
	657.691	1.690.454

Cash and cash equivalents by type:

	30 June 2021 €	31 December 2020 €
Current account	**520.820**	1.448.492
Sight account	-	56.088
Guarantee deposit	**136.787**	185.800
Cash in hand	**84**	74
	657.691	1.690.454

17. Share capital

	30 June 2021 Number of shares	30 June 2021 €	31 December 2020 Number of shares	31 December 2020 €
Authorised				
Ordinary shares of €0,10 each	**10.000.000**	**1.000.000**	10.000.000	1.000.000
Issued and fully paid				
Balance at 1 January	**10.000.000**	**1.000.000**	10.000.000	1.000.000
Balance at 30 June/31 December	**10.000.000**	**1.000.000**	10.000.000	1.000.000

18. Borrowings

	30 June 2021	31 December 2020
	€	€
Current borrowings		
Bank loans	**2.501.402**	1.283.122
Loans from related companies (Note 22.6)	-	5.323.254
	2.501.402	6.606.376
Non-current borrowings		
Bank loans	**24.913.072**	16.360.249
Total	**27.414.474**	22.966.625

On 22 July 2019, the Company together with its parent and its fellow subsidiary, entered into a facility agreement with its existing banker i.e. Bank of Cyprus Public Company Limited. The agreement comprises four distinct facilities as shown in the table below. The agreement was subsequently modified on 27 July 2020.

Facility	**Commitment**	**Interest rate**	**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

18. Borrowings (continued)

The ancillary facility represents the aggregate amount of overdrafts of the Company and its fellow subsidiary, amounted 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 C (a principal amount of €5 million) to Eurobank Cyprus Ltd, as permitted by the agreement, on the same terms and conditions as set out in the facility agreement.

During 2021, to an agreement entered into in September 2020, the Company obtained a new bank loan of €13.000.000, for the redevelopment project of the Mall. The maturity date of the loan is the 15th August of 2034 and the loan bears interest of 3 month Euribor plus 3,40%. Part of the outstanding balance of this loan was applied to the repayment of another loan payable to a related party, which had been given for bridging purposes.

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

- 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 bank loans (Facilities A, B and C) are secured as follows:

a) Atterbury Cyprus Limited guaranteed the loans of the Company for the amount of €23.200.000.

b) The Mall of Cyprus (MC) Plc guaranteed the loans of the Company for the amount of €23.200.000.

c) By floating charge of €23.000.000 on the assets of the Mall of Engomi (ME) Plc.

d) By the assignment of €23.000.000 from the rights of use of space in the Shacolas Emporium Park.

The new bank facility obtained in 2021, is secured as follows:

a) Atterbury Cyprus Limited guaranteed the loans of the Company fot the amount of €15.600.000.

b) The Mall of Cyprus (MC) Plc guaranteed the loans of the Company for the amount of €15.600.000.

Maturity of non-current borrowings:

	30 June 2021	31 December 2020
	€	€
Between one to two years	**2.002.713**	1.327.434
Between two and five years	**8.868.607**	4.263.747
After five years	**14.041.752**	10.769.068
	24.913.072	16.360.249

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

	30 June 2021	31 December 2020
Bank loans	**3,40%**	3,40%
Loans from related companies	-	3,40%

19. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 10). The applicable corporation tax rate in the case of tax losses is 12,5% (there are no tax losses available for offset at 30 June 2021 and 31 December 2020).

Deferred tax liability

	30 June 2021	31 December 2020
	€	€
Balance at 1 January	**15.053**	2.637.712
Movement in profit or loss due to:		
Fair value (losses)/gains on investment property	**-**	(1.448.784)
Credit in profit or loss	**(15.053)**	-
Difference between depreciation and wear & tear allowances	**-**	(1.173.875)
Balance at 30 June/31 December	**-**	15.053

Deferred taxation liability arises as follows:

	30 June 2021	31 December 2020
	€	€
Difference between depreciation and wear & tear allowances	**-**	15.053
	-	15.053

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%.

Due to the decline in the market value of the investment property to below historical cost, the previously recognised deferred tax liability element in relation to capital gains tax and to the difference between assessed disposal price and tax written down values, has been reversed, save for minor remaining accounts.

20. Trade and other payables

	30 June 2021	31 December 2020
	€	€
Trade payables	**601.669**	423.429
Payables to parent (Note 22.5)	**21.776**	21.776
Value added tax	**66.929**	53.392
Provision on financial guarantee contracts	**149.255**	149.255
Accruals	**264.098**	127.767
Deposits by tenants	**606.176**	545.346
Payables to fellow subsidiaries (Note 22.5)	**22.008**	31.617
	1.731.911	1.352.582
Less non-current payables	**(606.176)**	(545.346)
Current portion	**1.125.735**	807.236

"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.

The provision on financial guarantee contracts, relates to the Company's estimated provisions in respect of the financial guarantees provided for bank loans of its fellow subsidiary, The Mall of Cyprus. The above estimate is the 12-month ECL, considering the probability of default of the guaranteed party, the exposure at default and the loss given default. The Company acts as joint guarantor for bank loans of its fellow subsidiary, with the amount of the guarantees at €134.400.000.

The fair values of trade and other payables and other financial liabilties due within one year approximate to their carrying amounts as presented above.

21. Current tax liabilities

	30 June 2021	31 December 2020
	€	€
Corporation tax	**4.433**	4.433
	4.433	4.433

22. 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.

The Company is controlled by Atterbury Cyprus Limited, incorporated in Cyprus, which owns 99,5% of theCompany'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.

22. Main shareholders and related party transactions (continued)

The main shareholders of the Company as at 31 December 2020 and 30 June 2021 are (i) Brightbridge Real Estate Limited (Cyprus) through its indirect 36,38% shareholding in Atterbury Cyprus Limited (the parent company), (ii) RMB Holdings Limited (South Africa) through its indirect 36,38% shareholding in Atterbury Cyprus Limited and (iii) Business Venture Investments No 1360 (Pty) Ltd (South Africa) through its indirect 24,25% shareholding in Atterbury Cyprus Limited.

The following transactions were carried out with related parties.

22.1 Directors' remuneration

The remuneration of Directors was as follows:

	Six months ended 30 June 2021 €	Six months ended 30 June 2020 €
Directors' fees	**1.250**	1.250
	1.250	1.250

22.2 Provision of services

Name	Nature of transactions	Six months ended 30 June 2021 €	Six months ended 30 June 2020 €
Atterbury Cyprus Limited	Finance and interest	**77.818**	85.082
		77.818	85.082

22.3 Purchases of services

Name and relationship	Six months ended 30 June 2021 €	Six months ended 30 June 2020 €
Atterbury Cyprus Limited - parent entity	**36.600**	36.600
Other related entities	**284.880**	122.591
	321.480	159.191

22.4 Loans to related parties (Note 13)

Name	30 June 2021 €	31 December 2020 €
Atterbury Cyprus Limited	**3.715.508**	3.887.690
	3.715.508	3.887.690

The loan receivable from Atterbury Cyprus Limited is repayable on demand and bore interest equal to a margin of 3,40% plus 20% premium.

22.5 Payables to related parties (Note 20)

Name	30 June 2021 €	31 December 2020 €
Atterbury Cyprus Limited	**21.776**	21.776
The Mall of Cyprus (MC) Plc	**22.008**	31.617
	43.784	53.393

22. Main shareholders and related party transactions (continued)

22.6 Loans from related parties (Note 18)

Name	**30 June 2021** €	31 December 2020 €
Atterbury Europe B.V.	-	5.323.254
	-	5.323.254

The loan from related entity Atterbury Europe B.V. was provided with interest of 3 month Euribor plus 3,40%, and was repayable on or before 30 June 2021. The loan facility available to the Company was up to €13 million. During the period end 30 June 2021, the entire loan balance has been repaid out of new bank funding obtained.

22.7 Guarantees

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

a) Guarantee from Atterbury Cyprus Limited to secure bank borrowings for respective amounts of €23.200.000 and €15.600.000.

b) Guarantee from The Mall of Cyprus (MC) Plc to secure bank borrowings for the respective amounts of €23.200.000 and €15.600.000.

23. Contingent liabilities

The Company guarantees the bank loan of The Mall of Cyprus (MC) Plc for the amount of €134.400.000. It is not expected that any loss will result from the guarantees provided by the Company, since the property of the borrower is also pledged as security.

24. Commitments

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

The Company's license fee/operating lease income is derived from Income from rights for use of space. The Company leases out its investment property.

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group 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 unguaranteed residual values do not represent a significant risk for the Company. The Company did not identify any indications that this situation will change.

25. Events after the reporting period

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