

**THE MALL OF CYPRUS (MC) PLC**  
UNAUDITED CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JANUARY 2023 TO 30  
JUNE 2023

# THE MALL OF CYPRUS (MC) PLC

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## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

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# THE MALL OF CYPRUS (MC) PLC

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## BOARD OF DIRECTORS AND OTHER OFFICERS

<b>Board of Directors:</b>	Martin Olivier George Mouskides (resigned on 30 June 2023) Takis Christodoulou (resigned on 30 June 2023) John George Mavrokordatos (resigned on 27 April 2023 and reappointed on 6 June 2023)
<b>Company Secretary:</b>	Montrago Services Limited
<b>Legal Advisers:</b>	Tassos Papadopoulos & Associates LLC Panayiotis Demetriou & Associates LLC Elias Neocleous & Co LLC Ioannides Demetriou LLC Nicos M. Elia LLC
<b>Registered office:</b>	3 Verginas Street The Mall of Cyprus Strovolos 2025, Nicosia Cyprus
<b>Bankers:</b>	Bank of Cyprus Public Company Ltd Eurobank Cyprus Ltd
<b>Registration number:</b>	HE3941

# THE MALL OF CYPRUS (MC) PLC

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## MANAGEMENT REPORT

The Board of Directors of The Mall of Cyprus (MC) 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 2023 to 30 June 2023.

### **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 period from 1 January 2023 to 30 June 2023 was €10.030.831 compared to €8.931.713 for the corresponding period ended 30 June 2022. The operating profit of the Company for the period ended 30 June 2023 was €6.301.266 (period ended 30 June 2022: €5.652.527).

The net profit for the year after tax amounted to €3.685.582 (30 June 2022: €4.869.336).

On 30 June 2023 the total assets of the Company were €228.509.221 (31 December 2022: €230.065.684) and the net assets of the Company were €120.750.340 (31 December 2022: €121.264.758). 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 note 1 of the condensed interim 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.

### **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, 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 30 June 2023 are at variable rates.

As at 30 June 2023, the Company's liabilities which bore variable interest rates amounted to €82.853.218. 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.

Management assesses the credit quality of the lessees, 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 in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

As at 30 June 2023 the Company's credit risk arises from trade and other receivables amounting to €880.863 (net, after cumulative expected credit losses of €636.794) and bank balances amounting to €4.950.568.

# THE MALL OF CYPRUS (MC) PLC

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## MANAGEMENT REPORT

### **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 2023 the Company's net debt amounted to €80,302,650 (31 December 2022: €80,663,907) and total equity of €120,750,340 (31 December 2022: €121,264,758) leading to a gearing ratio of 39,94% (31 December 2022: 39,95%).

### **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 considerations**

With the development of the Coronavirus disease (Covid-19) pandemic in 2020 the world economy entered a period of unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life.

Targeted lockdown measures, taking into consideration the epidemic status in the country resulted in significant operational disruption for the Company especially in 2020, and to a lesser extent in 2021 and 2022. From 2022 onwards, revenue has recovered. Following Covid-19, economic growth in Cyprus has shown signs of robustness that continued amidst the Russia-Ukraine conflict.

Monitoring policies with the aim of maintaining adequate rate and extent of recovery of receivables have continued during 2023.

High levels of uncertainty currently prevail due to 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 30 June 2023 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 2023 to 30 June 2023, except as disclosed on page 1.

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.

### **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:

# THE MALL OF CYPRUS (MC) PLC

## MANAGEMENT REPORT

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	30 June 2023 Percentage of shareholding %	25 September 2023 Percentage of shareholding %
<b>Direct shareholder:</b>		
Atterbury Cyprus Limited (Cyprus)	99,67	99,67
<b>Indirect shareholders (through their indirect holdings in Atterbury Cyprus Limited):</b>		
Pareto Limited (South Africa)	24,9175	24,9175
Business Venture Investments No 1360 (Pty) Ltd (South Africa)	24,9175	24,9175
Brightbridge Real Estate Ltd	49,835	49,835

By order of the Board of Directors,

  
Moutrago Services Limited  
Secretary

Nicosia, 25 September 2023

## THE MALL OF CYPRUS (MC) PLC

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### 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 period from 1 January 2023 to 30 June 2023, on the basis of our knowledge, declare that:

(a) The interim financial statements of the Company which are presented on pages 6 to 27:

(i) have been prepared in accordance with the International Accounting Standards (IAS) 34 "Interim Financial Reporting".

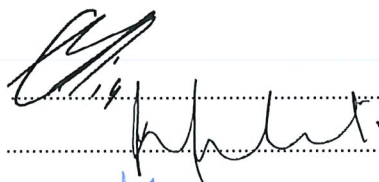
(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Company included in the financial statements as a whole and

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 it faces.

#### Members of the Board of Directors:

Martin Olivier - Director

John George Mavrokordatos - Director



Two handwritten signatures in black ink, one above the other, each followed by a dotted line for a name.

#### Responsible for drafting the financial statements

Antonia Constantinou (Financial Controller)



A handwritten signature in blue ink, followed by a dotted line for a name.

Nicosia, 25 September 2023

# THE MALL OF CYPRUS (MC) PLC

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2023 to 30 June 2023

		Six months ended 30 June 2023	Six months ended 30 June 2022
	Note	€	€
<b>Rights for use of space and other revenue</b>	5	<b>9.613.757</b>	8.931.713
Valuation gain on financial assets at fair value through profit or loss	16	<b>3.154</b>	-
Other operating income	6	<b>1.051.855</b>	131.895
Fair value loss on investment property	7	<b>(549.402)</b>	(78.170)
Gain on reversal of impairment of trade and other receivables	15	<b>290.504</b>	115.507
Administration and other operating expenses	8	<b>(4.108.602)</b>	(3.448.418)
<b>Operating profit</b>		<b>6.301.266</b>	5.652.527
Finance income	9	<b>79.538</b>	24.170
Finance costs	9	<b>(2.394.870)</b>	(1.701.588)
Other gain/(loss) on loan modification	21	<b>3.331</b>	(883.665)
<b>Profit before tax</b>		<b>3.989.265</b>	3.091.444
Tax (expense)/credit	10	<b>(303.683)</b>	1.777.892
<b>Profit for the period</b>		<b>3.685.582</b>	4.869.336
<b>Other comprehensive income</b>		<b>-</b>	-
<b>Total comprehensive income for the period</b>		<b>3.685.582</b>	4.869.336
<b>Earnings per share attributable to equity holders (cent)</b>	11	<b>3,69</b>	4,87

The notes on pages 10 to 27 form an integral part of these financial statements.

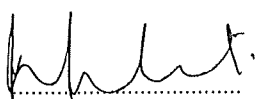


# THE MALL OF CYPRUS (MC) PLC

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

	Note	30 June 2023 €	31 December 2022 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	12	314.273	336.568
Investment property	13	202.632.000	202.632.000
Prepayments and other assets	17	38.709	103.260
		<u>202.984.982</u>	<u>203.071.828</u>
<b>Current assets</b>			
Trade and other receivables	15	933.445	1.603.238
Loans receivable	14	1.283.955	1.240.377
Financial assets at fair value through profit or loss	16	1.878.375	1.875.221
Prepayments and other assets	17	205.934	165.470
Refundable taxes	25	94.962	94.962
Cash at bank and in hand	18	4.950.568	5.837.588
		<u>9.347.239</u>	<u>10.816.856</u>
Assets classified as held for sale	19	16.177.000	16.177.000
<b>TOTAL ASSETS</b>		<u>228.509.221</u>	<u>230.065.684</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	20	50.000.000	50.000.000
Retained earnings		70.750.340	71.264.758
<b>Total equity</b>		<u>120.750.340</u>	<u>121.264.758</u>
<b>Non-current liabilities</b>			
Borrowings	21	76.823.944	81.257.347
Trade and other payables	24	2.140.832	1.743.291
Deferred tax liabilities	22	17.921.893	17.644.342
		<u>96.886.669</u>	<u>100.644.980</u>
<b>Current liabilities</b>			
Trade and other payables	24	2.273.995	2.742.855
Borrowings	21	8.429.274	5.244.148
Provisions for other liabilities and charges	23	168.943	168.943
		<u>10.872.212</u>	<u>8.155.946</u>
<b>Total liabilities</b>		<u>107.758.881</u>	<u>108.800.926</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>228.509.221</u>	<u>230.065.684</u>

On 25 September 2023 the Board of Directors of The Mall of Cyprus (MC) Plc authorised these financial statements for issue.



John George Mavrokordatos  
Director



Martin Olivier  
Director

The notes on pages 10 to 27 form an integral part of these financial statements.

## THE MALL OF CYPRUS (MC) PLC

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the period from 1 January 2023 to 30 June 2023

	Note	Share capital €	Retained earnings €	Total €
<b>Balance at 1 January 2022</b>		<b>50.000.000</b>	<b>54.569.589</b>	<b>104.569.589</b>
<b>Comprehensive income</b>				
Net profit for the period		-	4.869.336	4.869.336
<b>Transactions with owners</b>				
Dividends		-	(3.400.000)	(3.400.000)
<b>Balance at 30 June 2022</b>		<b>50.000.000</b>	<b>56.038.925</b>	<b>106.038.925</b>
<b>Balance at 1 January 2023</b>		<b>50.000.000</b>	<b>71.264.758</b>	<b>121.264.758</b>
<b>Comprehensive income</b>				
Net profit for the period		-	3.685.582	3.685.582
<b>Transactions with owners</b>				
Dividends		-	(4.200.000)	(4.200.000)
<b>Balance at 30 June 2023</b>		<b>50.000.000</b>	<b>70.750.340</b>	<b>120.750.340</b>

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% (2022: 2,65%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 10 to 27 form an integral part of these financial statements.

# THE MALL OF CYPRUS (MC) PLC

## CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the period from 1 January 2023 to 30 June 2023

		Six months ended 30 June 2023 €	Six months ended 30 June 2022 €
	Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		3,989,265	3,091,444
Adjustments for:			
Gain on financial asset at fair value through profit or loss		(3,154)	-
Depreciation of property and equipment	12	35,719	32,525
Fair value losses on investment property	13	549,402	78,170
Impairment gain on trade and other receivables	15	(290,504)	(115,507)
Fair value loss on modification of loans payable		(3,331)	883,665
Interest income	9	(79,538)	(24,170)
Interest expense and adjustments on financial liabilities	9,21	2,394,870	1,701,563
		<u>6,592,729</u>	<u>5,647,690</u>
<b>Changes in working capital:</b>			
Changes in working capital		<u>1,642,640</u>	<u>718,132</u>
<b>Cash generated from operations</b>		<u>8,235,369</u>	<u>6,365,822</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property and equipment	12	(13,424)	(9,623)
Payment for additions to investment property	13	(646,983)	(228,174)
Loans granted to parent	14	-	(301,722)
Interest received	9	45,761	-
<b>Net cash used in investing activities</b>		<u>(614,646)</u>	<u>(539,519)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of bank borrowings	21	(1,938,000)	(2,058,477)
Interest paid	21	(2,369,743)	(1,548,979)
Dividends paid		(4,199,851)	(3,400,000)
Defence contribution on deemed distribution paid		(149)	(2,624)
<b>Net cash used in financing activities</b>		<u>(8,507,743)</u>	<u>(7,010,080)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(887,020)</u>	<u>(1,183,777)</u>
Cash and cash equivalents at beginning of the period		<u>5,837,588</u>	<u>5,452,439</u>
<b>Cash and cash equivalents at end of the period</b>	18	<u>4,950,568</u>	<u>4,268,662</u>

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

The notes on pages 10 to 27 form an integral part of these financial statements.

# THE MALL OF CYPRUS (MC) PLC

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## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 1. Incorporation and principal activities

#### General

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.

#### Unaudited financial statements

The financial statements for the six months ended on 30 June 2023, have not been audited by the external auditors of the Company. The unaudited condensed interim financial statements of the Company for the six months ended on 30 June 2023, should be read in conjunction with the audited financial statements for the year ended 31 December 2022.

#### Operating Environment of the Company and assessment of Going Concern status

##### Economic indicators

Following Covid-19, economic growth in Cyprus has shown signs of robustness that continued amidst the Russia-Ukraine conflict. The effects of Covid-19 are still having an impact on the construction industry with issues including shortage on construction materials supply, rising construction costs that consequently projects get delayed and buyers get even more cautious with purchases. New challenges have been added since the Russia Ukraine conflict and other factors which have led to high inflation.

##### 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:

- 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.
- 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 2024 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:

# THE MALL OF CYPRUS (MC) PLC

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## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

- 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 tenants

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.

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. 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 2023. 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 unaudited condensed interim financial statements are consistent to those used in the audited financial statements for the period ended 31 December 2022, unless otherwise stated in relation to the application of the new IFRSs as from 1 January 2023.

The unaudited condensed interim financial statements of the Company have been prepared in accordance with the 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.

### **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.

# THE MALL OF CYPRUS (MC) PLC

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## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 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. The Board of Directors expect that the adoption of these accounting standards and amendments will have no material effect on financial statements of the Company. They are as follows:

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

##### Amendments to IAS 1 regarding classification of Liabilities as Current or Non Current (Effective for annual reporting periods beginning on or after 1 January 2024)

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;

They clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and

They 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 1 regarding Non current Liabilities with Covenants (Effective for annual reporting periods beginning on or after 1 January 2024)

*In November 2022, IAS 1 has been amended to specify that only covenants an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or noncurrent.*

*An entity is required to disclose information in the notes that enables users of financial statements to understand the risk that non current liabilities with covenants could become repayable within twelve months.*

*The 2022 amendments deferred the effective date of the amendments to IAS 1 Classification of Liabilities as Current or Non current published in January 2020 by one year to annual reporting periods beginning on or after 1 January 2024.*

*The amendments are applied retrospectively.*

##### Amendments to IFRS 16 Leases: Amendments to clarify how a seller lessee subsequently measures sale and leaseback transactions (Effective for annual reporting periods beginning on or after 1 January 2024)

*The amendments require a seller lessee to subsequently measure lease liabilities by determining "lease payments" and "revised lease payments" arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.*

*Without these new requirements, a seller lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.*

# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 4. New accounting pronouncements (continued)

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

A seller lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023 effective for annual reporting periods beginning on or after 1 January 2025)

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023 effective for annual reporting periods beginning on or after 1 January 2024)

### 5. Rights for use of space and other revenue

Disaggregation of revenue	Six months ended 30 June 2023 €	Six months ended 30 June 2022 €
Rights for use of space - minimum licence fees (i)	7.090.482	6.765.079
Rights for use of space - additional licence fees (i)	102.780	24.157
Lease related income from tenant contributions (ii)	-	46.140
Lease related expenses from relocation incentives granted (iii)	(51.170)	(46.189)
Lease related expenses from discounts granted (iv)	(157.367)	(314.202)
Lease income from land lease (i)	364.503	337.037
<b>Total lease income</b>	<b>7.349.228</b>	<b>6.812.022</b>
Revenue from service charge, utilities and other recoveries	2.264.529	2.119.691
<b>Total revenue from contracts with tenants</b>	<b>9.613.757</b>	<b>8.931.713</b>

(i) Income from the "Rights of use of space" relates to license/lease agreements that were in effect during 30 June 2023. 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. Income from the leasing of land relates solely to the rental income earned by the Company from IKEA for the year.

(ii) "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 (note 13).

(iii) "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") (note 17).

(iv) 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 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 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 17) prior to its reclassification to investment property (note 13).

# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 6. Other operating income

	Six months ended 30 June 2023 €	Six months ended 30 June 2022 €
Reimbursement of legal expenses	-	120.000
Promotional and other income	<b>1.051.855</b>	<b>11.895</b>
	<b><u>1.051.855</u></b>	<b><u>131.895</u></b>

Reimbursement of legal expenses relates to a Court decision during the period of six months ended 30 June 2023, for an outstanding legal case from past years. In particular, the Company was indemnified from any losses in connection to this case, by its former owners, who have undertaken the responsibility to cover claims against the Company. A corresponding charge, of €120.000, is included in "Administration and other operating expenses" (note 8).

### 7. Fair value losses on investment property

	Six months ended 30 June 2023 €	Six months ended 30 June 2022 €
Fair value losses on investment property (note 13)	<b>(549.402)</b>	<b>(78.170)</b>
	<b><u>(549.402)</u></b>	<b><u>(78.170)</u></b>

### 8. Administration and other operating expenses

	Six months ended 30 June 2023 €	Six months ended 30 June 2022 €
Common expenses	<b>1.425</b>	226.400
Licenses and taxes	<b>54.667</b>	21.392
Insurance	<b>65</b>	738
Repairs and maintenance	-	13.422
Auditor's remuneration for statutory audit purposes	<b>22.500</b>	13.500
Directors' fees (note 26.1)	<b>1.250</b>	1.250
Other professional fees	<b>1.359.861</b>	589.252
Other expenses	<b>119.237</b>	304.492
Legal case expenses (note 6)	-	120.000
Bank charges	<b>8.242</b>	5.756
Property management, maintenance and utility costs	<b>2.505.636</b>	2.119.691
Depreciation (note 12)	<b>35.719</b>	32.525
	<b><u>4.108.602</u></b>	<b><u>3.448.418</u></b>



# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 9. Finance income

	Six months ended 30 June 2023 €	Six months ended 30 June 2022 €
<b>Finance income</b>		
Bank interest	35.960	-
Interest on loans from related parties (note 14)	<u>43.578</u>	<u>24.170</u>
	<b>79.538</b>	<b>24.170</b>
<b>Finance cost</b>		
Loan interest and adjustments on financial liabilities (note 21)	(2.335.538)	(1.701.563)
Group interest	(57.807)	-
Other interest	<u>(1.525)</u>	<u>(25)</u>
	<b>(2.394.870)</b>	<b>(1.701.588)</b>
<b>Net finance costs</b>	<b>(2.315.332)</b>	<b>(1.677.418)</b>

### 10. Tax

	Six months ended 30 June 2023 €	Six months ended 30 June 2022 €
Corporation tax - current period	-	265.500
Corporation tax - prior years	8.764	-
Defence contribution	17.369	10.207
Deferred tax - charge/(credit) (note 22)	<u>277.550</u>	<u>(2.053.599)</u>
<b>Charge/(credit) for the period</b>	<b>303.683</b>	<b>(1.777.892)</b>

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. Earnings per share attributable to equity holders

	Six months ended 30 June 2023	Six months ended 30 June 2022
<b>Profit attributable to shareholders (€)</b>	<b>3.685.582</b>	<b>4.869.336</b>
Weighted average number of ordinary shares in issue during the period	<u>100.000.000</u>	<u>100.000.000</u>
<b>Earnings per share attributable to equity holders (cent)</b>	<b>3,69</b>	<b>4,87</b>

## THE MALL OF CYPRUS (MC) PLC

### NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

#### 12. Property and equipment

	Artworks	Leasehold property improv.	Plant and machinery	Signs	Furniture, fixtures and office equipment	Computer hardware	Total
	€	€	€	€	€	€	€
<b>Cost</b>							
Balance at 1 January 2022	140.490	58.500	1.373.404	414.458	658.840	155.651	2.801.343
Additions	-	-	40.549	-	-	-	40.549
<b>Balance at 31 December 2022/ 1 January 2023</b>	<b>140.490</b>	<b>58.500</b>	<b>1.413.953</b>	<b>414.458</b>	<b>658.840</b>	<b>155.651</b>	<b>2.841.892</b>
Additions	-	-	-	-	-	13.424	13.424
<b>Balance at 30 June 2023</b>	<b>140.490</b>	<b>58.500</b>	<b>1.413.953</b>	<b>414.458</b>	<b>658.840</b>	<b>169.075</b>	<b>2.855.316</b>
<b>Depreciation</b>							
Balance at 1 January 2022	-	58.500	1.258.616	371.978	599.672	150.836	2.439.602
Charge for the period	-	-	38.663	11.292	11.432	4.335	65.722
<b>Balance at 31 December 2022/ 1 January 2023</b>	<b>-</b>	<b>58.500</b>	<b>1.297.279</b>	<b>383.270</b>	<b>611.104</b>	<b>155.171</b>	<b>2.505.324</b>
Charge for the period	-	-	22.168	5.645	6.430	1.476	35.719
<b>Balance at 30 June 2023</b>	<b>-</b>	<b>58.500</b>	<b>1.319.447</b>	<b>388.915</b>	<b>617.534</b>	<b>156.647</b>	<b>2.541.043</b>
<b>Net book amount</b>							
Balance at 30 June 2023	140.490	-	94.506	25.543	41.306	12.428	314.273
Balance at 31 December 2022	140.490	-	116.674	31.188	47.736	480	336.568

# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 13. Investment property

	30 June 2023	31 December 2022
	€	€
Balance at 1 January	218.809.000	207.800.000
Additions	646.983	280.166
Lease incentives and deferred income adjustment net of amortisation	(97.581)	(510.507)
Fair value adjustment based on external valuer's assessment (note 7)	(549.402)	11.239.341
Open market value per external valuation at 31 December	218.809.000	218.809.000
Transfer to assets classified as held for sale (note 19)	(16.177.000)	(16.177.000)
<b>Balance at 30 June/ 31 December</b>	<b>202.632.000</b>	<b>202.632.000</b>

The investment properties are valued annually at fair value, comprising open market value based on valuations by an independent, professionally qualified valuer. Interim valuations may be conducted if Management considers necessary, for instance, in the event of pervasive events that may have a significant impact on the most recent annual appraisal exercise. 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 30 June 2023 for the aforementioned incentives, was derived from relocation incentives and unamortised discounts granted to tenants both classified under "other assets" (note 17) as well as from deferred income.

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 and an IKEA store. During 2022, the Company took the decision to sell Annex 3 and Annex 4, therefore they were transferred from investment property to assets held for sale at a fair value of €16.177.000 (note 19).

#### Valuation processes of the Company

The Company's investment properties were most recently valued by management as at 31 December 2022. 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 and the Russia-Ukraine conflict, which have accelerated inflation and inhibited growth hereby creating valuation uncertainty. The latter's valuation was reported as being subject to 'material valuation uncertainty' as set out in VPS3 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.

As part of the process for year-end financial reporting purposes, Management took into account the external valuation prepared as at 31 December 2022 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:

- 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.

Bank borrowings are secured on Company's investment property.

# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 13. 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 categorised as a Level 3 fair value measurement, based on the inputs to the valuation technique used at 31 December 2022.

#### *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.

Year end 31 December 2022:

<u>Property</u>	<u>Valuation</u>	<u>Valuation</u>	<u>Discount rate</u>	<u>Terminal</u>	<u>Revenue in year 1</u>	<u>Revenue growth %</u>
	<u>€</u>	<u>technique</u>	<u>%</u>	<u>capitalisation</u>	<u>€</u>	<u>€</u>
				<u>rate</u>		
				<u>%</u>		
Cyprus	218.809.000	Income approach - Discounted cash flows	4,25 - 10,00	4,25 - 8,00	15.594.375	3,00 - 4,00

#### **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 rate	Based on actual location, size and quality of the properties and taking into account market data at the valuation date.

# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 14. Loans receivable

	30 June 2023	31 December 2022
	€	€
Loans to parent (note 26.4)	1.283.955	1.240.377
	<u>1.283.955</u>	<u>1.240.377</u>

The loans are repayable as follows:

	30 June 2023	31 December 2022
	€	€
Within one year	1.283.955	1.240.377
	<u>1.283.955</u>	<u>1.240.377</u>

### 15. Trade and other receivables

	30 June 2023	31 December 2022
	€	€
Trade receivables - gross	1.435.069	1.777.453
Other receivables - gross	82.588	327.426
Less: provision for impairment of receivables	(636.794)	(1.027.397)
Trade receivables - net	880.863	1.077.482
Receivables from related parties (note 26.3)	52.582	58.386
Unbilled service charges and additional licence fees to tenants	-	467.370
	<u>933.445</u>	<u>1.603.238</u>

Movement in provision for impairment of receivables:

	30 June 2023	31 December 2022
	€	€
Balance at 1 January	1.027.397	851.650
Net impairment losses/(gains) recognised on receivables	(290.504)	388.651
Set offs against gross trade receivables	(100.099)	(212.904)
<b>Balance at 30 June/ 31 December</b>	<u>636.794</u>	<u>1.027.397</u>

### 16. Financial assets at fair value through profit or loss

	30 June 2023	31 December 2022
	€	€
Balance at 1 January	1.875.221	-
Additions	-	1.455.000
Change in fair value	3.154	420.221
<b>Balance at 30 June/ 31 December</b>	<u>1.878.375</u>	<u>1.875.221</u>

On 15 December 2022, an agreement was signed between the bank and the Company in order to cap the 3m Euribor to 2,5% for a period of three years up to 15 December 2025. Total cost of the financial asset was €1.455.000. The financial asset was remeasured at fair value as at 30 June 2023 at €1.878.375 (31 December 2022: €1.875.221), recognising a fair value gain the profit or loss for the six months €3.154 (31 December 2022: €420.221).

# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 17. Prepayments and other assets

	30 June 2023	31 December 2022
	€	€
Prepayments	244.643	268.730
Other assets - relocation incentives granted to tenants (amount prior to transfer to "investment property")	230.445	174.892
Other assets - unamortised discounts granted to tenants (amount prior to transfer to "investment property")	565.931	723.298
Less: reclassification of incentives and discounts to tenants to investment property (note 13)	(796.376)	(898.190)
<b>Balance at 30 June/ 31 December</b>	<b>244.643</b>	<b>268.730</b>
Less non-current portion of prepayments	(38.709)	(103.260)
Current portion	<u>205.934</u>	<u>165.470</u>

### 18. Cash at bank and in hand

Cash balances are analysed as follows:

	30 June 2023	31 December 2022
	€	€
Cash in hand	393	567
Current accounts	2.087.542	1.505.835
Notice accounts *	<u>2.862.633</u>	<u>4.331.186</u>
	<u><b>4.950.568</b></u>	<u><b>5.837.588</b></u>

\* Notice accounts relate to guarantee current accounts designated for loan repayments and are not restricted in use.

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 (credit rating: Ba3 - Moody's). Interest on short term bank deposits accrues at the annual rate between 0% and 3,40%.

### 19. Assets classified as held for sale

	Investment property €
Additions	<u>16.177.000</u>
<b>Balance at 31 December 2022</b>	<u><b>16.177.000</b></u>
<b>Balance at 30 June 2023</b>	<u><b>16.177.000</b></u>

During 2022, the Company took the decision to sell Annex 3 and Annex 4 of the Mall, therefore they were transferred from investment property to assets held for sale (note 13).

The proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and, accordingly, no impairment loss has been recognised on the classification of these operations as held for sale.

# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 19. Assets classified as held for sale (continued)

The major classes of assets comprising the disposal group classified as held for sale are as follows:

	30 June 2023	31 December 2022
	€	€
Investment property	<u>16.177.000</u>	<u>16.177.000</u>
	<u>16.177.000</u>	<u>16.177.000</u>

### 20. Share capital

	2023 Number of shares	2023 €	2022 Number of shares	2022 €
<b>Authorised</b>				
Ordinary shares of €0,50 each	<u>171.000.000</u>	<u>85.500.000</u>	<u>171.000.000</u>	<u>85.500.000</u>
<b>Issued and fully paid</b>				
Balance at 1 January	<u>100.000.000</u>	<u>50.000.000</u>	<u>100.000.000</u>	<u>50.000.000</u>
<b>Balance at 30 June / 31 December</b>	<u>100.000.000</u>	<u>50.000.000</u>	<u>100.000.000</u>	<u>50.000.000</u>

### 21. Borrowings

	30 June 2023	31 December 2022
	€	€
<b>Current borrowings</b>		
Bank loans	6.029.274	3.444.148
Loan from parent company (note 26.6)	<u>2.400.000</u>	<u>1.800.000</u>
	<u>8.429.274</u>	<u>5.244.148</u>
<b>Non-current borrowings</b>		
Bank loans	<u>76.823.944</u>	<u>81.257.347</u>
<b>Total</b>	<u>85.253.218</u>	<u>86.501.495</u>

#### (a) Bank loans

The loan agreement, most recently renewed on 7 December 2022, comprises four distinct borrowing 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 + 3,10%	15/06/2027
Facility B	€90.000.000	3m Euribor + 3,71%	3m Euribor + 3,10%	16/10/2033
Facility C	€18.900.000	3m Euribor + 3,65%	3m Euribor + 3,10%	15/05/2031
Ancillary Facility	€3.000.000	3m Euribor + 4,20%	3m Euribor + 4,20%	N/A

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 €27.000.000) to Eurobank Cyprus Ltd, as permitted by the agreement, on the same terms and conditions as set out in the facility agreement.

On 9 February 2022, the Company signed an addendum agreement which increased the interest of facilities A and B

# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 21. Borrowings (continued)

from 3m Euribor + 3,40% to 3m Euribor + 3,50% while decreasing the monthly instalments, leading to a lump sum at maturity.

On 7 December 2022, the Company signed a restatement of the loan facility agreement decreasing the margin from 3,50% to 3,10% effective for a period of three years, until 15 December 2025 when the margin will return to 3,50%. As a result, a modification loss was recognised at the date of the modification, amounting to €847.116.

On 15 December 2022, an agreement was also signed between the bank and the Company in order to cap the 3m Euribor to 2,50% for a period of three years up to 15 December 2025 (note 21) for Facility B.

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 bank loans (Facilities A, B and C) 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 30 June 2023 of €84.324.229 (31 December 2022: €84.701.495).

### *b) Loans due to parent company*

The outstanding amount is interest free. The balance at period end, of €2.400.000, corresponds to the repayment by the parent of the payable in relation to the "Loizos" case.

### *c) Loans due to ultimate parent*

The outstanding amount is interest free.

Maturity of non-current borrowings:

	30 June 2023	31 December 2022
	€	€
Between one to two years	4.675.997	3.441.471
Between two and five years	23.834.205	14.934.456
After five years	48.313.742	62.881.420
	<u>76.823.944</u>	<u>81.257.347</u>



# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 21. Borrowings (continued)

The weighted average effective interest rates (excluding the interest rate cap) at the reporting date were as follows:

	30 June 2023	31 December 2022
	%	%
Bank loans	5,78	3,77

The carrying amount of borrowings approximate their fair value.

### 22. 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 2023 and 31 December 2022 respectively).

#### Deferred tax liability

	30 June 2023	31 December 2022
	€	€
Balance at 1 January	17.644.342	19.206.034
Revaluation of land and buildings	1	-
Fair value (losses)/gains on investment property	-	(1.711.286)
Difference between depreciation and wear & tear allowances	277.550	230.628
Accelerated tax benefit - discounts granted to tenants	-	(81.034)
<b>Balance at 30 June / 31 December</b>	<b>17.921.893</b>	<b>17.644.342</b>

Deferred taxation liability arises as follows:

	30 June 2023	31 December 2022
	€	€
Accelerated tax depreciation - discounts granted to tenants	70.741	90.412
Fair value gains on investment property	10.033.057	10.165.836
Difference between depreciation and wear & tear allowances	7.818.095	7.388.094
<b></b>	<b>17.921.893</b>	<b>17.644.342</b>

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 12.50%.
- 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 prior years 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 17), will be ignored in arriving at future taxable profits, as such a timing difference arises.

# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 23. Provisions for other liabilities and charges

	Financial guarantee contracts €
Balance at 1 January 2022	46.448
Charged to profit or loss	<u>122.495</u>
<b>Balance at 31 December 2022 / 1 January 2023</b>	<b><u>168.943</u></b>
<b>Balance at 30 June 2023</b>	<b><u>168.943</u></b>

#### *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 (note 27). Guarantees are limited to the outstanding book amount of the loan balances of The Mall of Engomi (ME) plc of €28,306,125 (2022: €28,888,175).

### 24. Trade and other payables

	30 June 2023 €	31 December 2022 €
Trade payables	1.006.511	1.254.765
Retentions for construction work on investment property	5.123	5.123
Cash guarantee	198.018	198.018
VAT and other payables	985.747	1.081.476
Unbilled service charges and additional licence fees to tenants	44.329	-
Deposits by tenants	1.942.814	1.924.988
Payables to related companies (note 26.5)	<u>232.285</u>	<u>21.776</u>
	<b>4.414.827</b>	<b>4.486.146</b>
Less non-current payables	<u>(2.140.832)</u>	<u>(1.743.291)</u>
<b>Current portion</b>	<b><u>2.273.995</u></b>	<b><u>2.742.855</u></b>

"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.

"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.

# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 25. Refundable taxes

	30 June 2023	31 December 2022
	€	€
Corporation tax (refundable)	(94.962)	(94.962)
	<u>(94.962)</u>	<u>(94.962)</u>

### 26. 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 99,67% 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 100% of the former.

The main shareholders of the Company as at 30 June 2023 are (i) Brightbridge Real Estate Limited (Cyprus) through its indirect 49,835% shareholding in Atterbury Cyprus Limited (the parent company), (ii) Business Venture Investments No 1360 (Pty) Ltd (South Africa) through its indirect 24,9175% shareholding in Atterbury Cyprus Limited and (iii) Pareto Limited (South Africa) through its indirect 24,9175% shareholding in Atterbury Cyprus Limited.

The following transactions were carried out with related parties:

#### 26.1 Directors' remuneration

The remuneration of Directors was as follows:

	Six months ended 30 June 2023	Six months ended 30 June 2022
	€	€
Directors' fees (note 8)	1.250	1.250
	<u>1.250</u>	<u>1.250</u>

#### 26.2 Purchases of services / finance charges

	Six months ended 30 June 2023	Six months ended 30 June 2022
	€	€
<u>Name</u>		
Other related parties	508.431	489.766
	<u>508.431</u>	<u>489.766</u>

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".

# THE MALL OF CYPRUS (MC) PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 26. Main shareholders and related party transactions (continued)

#### 26.3 Receivables from related parties (Note 15)

	30 June 2023	31 December 2022
Name	€	€
The Mall of Engomi (ME) Plc	52.582	55.236
Atterbury Europe B.V.	-	3.150
	<u>52.582</u>	<u>58.386</u>

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

#### 26.4 Loans to related parties (Note 14)

	30 June 2023	31 December 2022
Name	€	€
Atterbury Cyprus Limited	1.283.955	1.240.377
	<u>1.283.955</u>	<u>1.240.377</u>

Interest received amounting to €43.578 (31 December 2022: €55.089) was recognised in the profit or loss for the year (note 14).

#### 26.5 Payables to related parties (Note 24)

	30 June 2023	31 December 2022
Name	€	€
Atterbury Cyprus Limited	89.310	21.776
Atterbury Europe Service B.V.	142.975	-
	<u>232.285</u>	<u>21.776</u>

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

#### 26.6 Loan from related parties (Note 21)

	30 June 2023	31 December 2022
Name	€	€
Atterbury Cyprus Limited - parent entity	2.400.000	1.800.000
	<u>2.400.000</u>	<u>1.800.000</u>

The loans from related parties were provided interest free, and there were no specified repayment dates.

### 27. Guarantees

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

- Atterbury Cyprus Limited guaranteed the loans of the Company up to an amount of €134.400.000.
- The Mall of Engomi (ME) Plc guaranteed the loans of the Company up to an amount of €134.400.000

### 28. 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.

# THE MALL OF CYPRUS (MC) PLC

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## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 29. 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.

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.

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

### 30. 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.