THE MALL OF CYPRUS (MC) PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2024

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ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2024

CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Martin Olivier John George Mavrokordatos Kypros Hadjistyllis (appointed on 10 September 2024) Siphamandla Joseph Mbonane (appointed on 4 June 2024)
Company Secretary:	Montrago Services Limited
Independent Auditors:	Deloitte Limited Certified Public Accountants and Registered Auditors 24 Spyrou Kyprianou Avenue 1075 Nicosia Cyprus
Legal Advisers:	Elias Neocleous & Co LLC A.G. Paphitis & Co. LLC
Registered office:	3 Verginas Street The Mall of Cyprus Strovolos 2025, Nicosia Cyprus
Bankers:	Alpha Bank Cyprus Ltd Alpha Bank S.A. Eurobank Cyprus Ltd Eurobank Private Bank Luxembourg S.A.
Registration number:	HE3941

MANAGEMENT REPORT

The Board of Directors of The Mall of Cyprus (MC) Plc (the "Company" or the "Mall") presents to the members its Management Report and audited financial statements of the Company for the year ended 31 December 2024.

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

Review of current position, and performance of the Company's business
The Company's revenue for the year ended 31 December 2024 is €19.567.512 compared to €18.832.674 for the year ended 31 December 2023. The operating profit of the Company for the year was €18.315.251 (2023: €15.749.116).

The net profit for the year after tax amounted to €10.457.737 (2023: €9.668.602).

At 31 December 2024 the total assets of the Company were €240.621.374 (2023: €230.884.578) and the net assets of the Company were €116.058.886 (2023: €119.208.899). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

In 2024, the financial performance of the Mall showcased resilience and adaptability in the face of diverse market conditions. Despite encountering challenges such as inflationary pressures stemming from geopolitical tensions, the Mall demonstrated notable growth.

The growth in licensee turnover of 8%, during 2024, and the vacant space being close to 0%, trajectory underscores the Mall's ability to effectively rebound from the pandemic's initial setbacks and rebuild consumer trust and engagement.

The substantial increase in foot traffic throughout 2024 not only reflects renewed consumer interest but also underscores the Mall's ability to attract visitors and foster a vibrant shopping atmosphere. Concurrently, the rise in licensee turnover signifies dynamic activity within the Mall, with licensees capitalizing on increased consumer spending power and demand.

The introduction of new brands and store renovations further bolstered its appeal and reinforced its position as the preferred fashion destination for shoppers.

In summary, the Mall's financial performance for 2024 exemplifies a compelling narrative of growth, and adaptability, underscored by significant increases in foot traffic and licensee turnover despite the backdrop of ongoing geopolitical uncertainties and economic challenges.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 33 of the financial statements.

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

Existence of branches
The Company does not maintain any branches.

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

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.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and that such changes will affect the Company's income or the value of its holdings of financial instruments.

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. All borrowings as at 31 December 2024 are at variable rates, except as disclosed in the financial statements.

As at 31 December 2024, the Company's liabilities which bore variable interest rates amounted to €100.311.185 (2023: €88.713.560). The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly (refer to Note 26). 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 licensees, 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 31 December 2024 the Company's credit risk arises from trade and other receivables amounting to €2.063.608 (net, after cumulative expected credit losses of €509.809 (2023: €1.380.733 net, after cumulative expected credit losses of €763.576), loans receivable of €976.692 (2023: €Nil) and bank balances amounting to €9.302.179 (2023: €4.881.661).

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

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

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

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings minus cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt. As at 31 December 2024 the Company's net debt amounted to €91.001.891 (2023: €83.825.510) and total equity of €116.058.886 (2023: €119.208.899) leading to a gearing ratio of 43,95% (2023: 41,29%).

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

Dividends
On 17 April 2024 the Board of Directors approved the payment of an interim dividend of €7,5 million to its shareholders from the net profit of the year ended 31 December 2023 and on 14 November 2024 the Board of Directors approved the payment of an amount of €5 million to its shareholders in respect of 2024 results. In 2023 dividends of €11.724.461 were declared.

The Board of Directors have not recommended further dividends except as disclosed in Note 35 to the financial statements.

Share capital

On 9 January 2024, the Company proceeded with a restructuring of its share capital by reducing the nominal value of the ordinary shares from €0,50 per share to €0,01 per share. As a result, the authorised share capital was amended to €3.710.000 divided into 371.000.000 ordinary shares of €0,01 each, while the issued share capital was amended to €1.000.000 divided into 100.000.000 ordinary shares of €0,01 each, with the corresponding transfer to capital reduction reserve fund.

On 12 April 2024, the Board of Directors resolved to convene an extraordinary general meeting to approve the issue and allot via private placement 233.683.310 ordinary shares of nominal value €0,10 each, out of the unissued authorised share capital of the Company to Pareto Limited for a total consideration of €89.853.773 that constituted c. 70,03% of the issued share capital of the Company post issuance. Pareto Limited discharged its obligations to settle the total Issue Price through an in-kind contribution. After the court approval on 20 June 2024, the share premium and capital reduction reserve was reduced by an amount of €87.516.939 in respect of share premium and €2.629.883 in respect of the capital reduction reserve fund (€90.146.822 in total). The capital reduction was implemented by a pro-rata return of capital in the amount of €90.146.822 to the previous shareholders of the Company, which could at the election of the board, be settled either in cash or in-kind on 22 August 2024 and in this regard the board has resolved that Atterbury Cyprus Limited be settled in-kind and the general public in cash.

Operating Environment of the Company and going concern considerations
A level of uncertainty exists from challenges such as inflationary pressures stemming from geopolitical tensions like the Russia-Ukraine conflict, which might impact the stability of the Cyprus economy. Consequently, making reliable predictions about the ultimate outcomes is challenging, and there exists a possibility of variance between Management's present expectations and estimates and the actual results. As discussed in Note 1, the directors are of the view that the Company's going concern status and outlook is not compromised.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2024 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 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.

Directors' interests in the Company's share capital
The members of the Board of Directors did not control directly or indirectly any part of the share capital of the Company, at 31 December 2024 and as at the date of this report.

Except from the balance and transactions disclosed in Note 31 of the financial statements, there were no other significant contracts with the Company or related companies, in which a Director or related parties has a significant interest.

Events after the reporting period
Any significant events after the reporting date on the Company are described in note 35 of the financial statements.

MANAGEMENT REPORT

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:

	23 April 2025 Percentage of shareholding %	31 December 2024 Percentage of shareholding %
Direct shareholder:		
Atterbury Cyprus Limited (Cyprus)	29,87	29,87
Pareto Limited (South Africa)	70,03	70,03
Indirect shareholders (through their indirect holdings in Atterbury Cyprus Limited):		
Business Venture Investments No 1360 (Pty) Ltd (South Africa)	7,47%	7,47%
Pareto Limited (South Africa)	7,47%	7,47%
Brightbridge Real Estate Limited (Cyprus)	14,94%	14,94%

Independent Auditors
The independent auditors, Deloitte Limited, have expressed their willingness to continue in office and a resolution authorising the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,

MONTRAGO SERVICES LIMITED

Montrago Services Limited
Secretary

Nicosia, 23 April 2025

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

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the financial statements of The Mall of Cyprus (MC) Plc (the "Company") for the year ended 31 December 2024, on the basis of our knowledge, declare that:

(a) The annual financial statements of the Company which are presented on pages 12 to 58:

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

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

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

Members of the Board of Directors:

Martin Olivier - Director	....
John George Mavrokordatos - Director	....
Kypros Hadjistyllis - Director	....
Siphamandla Joseph Mbonane - Director	....

Responsible for drafting the financial statements

Antonia Constantinou (Financial Controller)	....

Nicosia, 23 April 2025

Deloitte.

Deloitte Limited
24 Spyrou Kyprianou Avenue
CY-1075 Nicosia, Cyprus
Mail: P.O.Box 21675
CY-1512 Nicosia, Cyprus

Tel: +357 22 360 300
Fax: +357 22 360 400
infonicosia@deloitte.com
www.deloitte.com/cy

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Mall of Cyprus (MC) Plc (the "Company"), which are presented in pages 12 to 58 and comprise the statement of financial position as at 31 December 2024, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes of the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

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

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

Deloitte.

Independent Auditor's Report (continued)

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

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

Description of key audit matter	How our audit addressed the key audit matter
Valuation of investment property The Company's investment property portfolio amounted to €227,7 million as at 31 December 2024 including assets classified as held for sale (2023: €223,3 million) and the net fair value gains on investment property recorded in the statement of comprehensive income amounted to €4,5 million (2023: €2,7 million). Investment property comprises 95% of the Company's total assets. The Company measures its investment properties at fair value. The Fair Value of Investment Property was determined using discounted cash flows. The Company engaged an external appraiser to determine the fair value of its properties. We have considered the valuation of investment property to be a key audit matter, as it requires management to apply significant judgement and make significant estimates, for example the terminal capitalisation rate, discount rate, future rental income and vacancy rate. Refer to Note 4 "Accounting policies", Note 7 "Critical accounting estimates, judgements and assumptions", and Note 18 "Investment property" in the financial statements for further details relating to this matter.	We have performed, amongst others, the following audit procedures, in order to address this key audit matter: • Obtained an understanding of the internal controls over the valuation process for investment property and assessed these controls to determine if they had been appropriately designed and implemented. • Assessed the competence, capabilities, experience, professional qualifications and objectivity of the independent appraisal firm. In addition, we discussed the scope of their work with management and reviewed their terms of engagement with the Company to determine that there were no matters that affected their objectivity or imposed scope limitations. • With the support of our internal valuation specialists, we (i) assessed whether the valuation methodology applied is appropriate and in line with international valuation standards as well as industry norms; and (ii) challenged the key parameters and assumptions used by the independent appraiser to estimate the fair values. • Tested the accuracy and completeness of the data provided by management to the independent appraisal firm. • Reperformed the mathematical accuracy of the valuation. • Agreed the total valuation in the appraiser report to the amount reported in the statement of financial position. • Reviewed the sensitivity analysis on the significant assumptions included in the investment property valuations and evaluated the extent of their impact on the determination of fair values. • Assessed the disclosures in the financial statements relating to this matter against the requirements of IFRS accounting standards. The above procedures were completed in a satisfactory manner.

Deloitte.

Independent Auditor's Report (continued)

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

Reporting on Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report and the Declaration of the Members of the Board of Directors and the Company officials responsible for the preparation of the financial statements.

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

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

Responsibilities of the Board of Directors for the Financial Statements

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

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Deloitte.

Independent Auditor's Report (continued)

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

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

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

Report on Other Legal Requirements

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

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

Deloitte.

Independent Auditor's Report (continued)

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

Other Matter

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

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

Kerry Whyte

Kerry Whyte
Certified Public Accountant and Registered Auditor
for and on behalf of
Deloitte Limited
Certified Public Accountants and Registered Auditors

Nicosia, 23 April 2025

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Note	2024 €	2023 €
Rights for use of space and other revenue	8	**19.567.512**	18.832.674
Valuation loss on financial assets at fair value through profit or loss	21	**(758.778)**	(1.025.970)
Other operating income	9	**1.416.264**	2.071.657
Fair value gains on investment property	10	**4.458.763**	2.655.530
Fair value loss on investment property held for sale	24	**(423.027)**	-
Impairment loss on trade and other receivables	20	**(356.510)**	(62.441)
Administration and other operating and selling expenses	11	**(5.588.973)**	(6.722.334)
Operating profit		**18.315.251**	15.749.116
Finance income	13	**81.434**	126.154
Finance costs	13	**(6.629.425)**	(4.981.007)
Profit before tax		**11.767.260**	10.894.263
Tax charge	14	**(1.309.523)**	(1.225.661)
Profit for the year		**10.457.737**	9.668.602
Other comprehensive income		**-**	-
Total comprehensive income for the year		**10.457.737**	9.668.602
Earnings per share attributable to equity holders (cent) - basic and diluted	15	**3,36**	9,67

THE MALL OF CYPRUS (MC) PLC

STATEMENT OF FINANCIAL POSITION
31 December 2024

	Note	**2024** €	2023 €
ASSETS			
Non-current assets			
Property and equipment	17	**250.605**	313.311
Investment property	18	**223.209.000**	223.284.970
Prepayments and other assets	22	**33.866**	30.000
		223.493.471	223.628.281
Current assets			
Trade and other receivables	20	**2.132.484**	1.381.012
Loans receivable	19	**976.692**	-
Financial assets at fair value through profit or loss	21	**94.348**	849.251
Prepayments and other assets	22	**96.112**	134.609
Refundable taxes	30	**-**	3.375
Cash at bank and in hand	23	**9.309.294**	4.888.050
		12.608.930	7.256.297
Assets classified as held for sale	24	**4.518.973**	-
TOTAL ASSETS		**240.621.374**	230.884.578
EQUITY AND LIABILITIES			
Equity			
Share capital	25	**3.336.833**	50.000.000
Other reserves		**45.555.417**	-
Retained earnings		**67.166.636**	69.208.899
Total equity		**116.058.886**	119.208.899
Non-current liabilities			
Borrowings	26	**93.687.279**	85.416.703
Trade and other payables	29	**1.800.921**	1.325.259
Deferred tax liabilities	27	**18.661.461**	18.075.634
		114.149.661	104.817.596
Current liabilities			
Trade and other payables	29	**3.363.608**	3.462.774
Borrowings	26	**6.623.906**	3.296.857
Current tax liabilities	30	**358.668**	-
Provisions for other liabilities and charges	28	**66.645**	98.452
		10.412.827	6.858.083
Total liabilities		**124.562.488**	111.675.679
TOTAL EQUITY AND LIABILITIES		**240.621.374**	230.884.578

On 23 April 2025 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 16 to 58 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Note	Share capital €	Share premium €	Capital reduction reserve fund €	Retained earnings €	Total €
Balance at 1 January 2023		**50.000.000**	**-**	**-**	**71.264.758**	**121.264.758**
Comprehensive income						
Net profit for the year		-	-	-	9.668.602	9.668.602
Transactions with owners						
Dividends	16	-	-	-	(11.724.461)	(11.724.461)
Balance at 31 December 2023/ 1 January 2024		**50.000.000**	**-**	**-**	**69.208.899**	**119.208.899**
Comprehensive income						
Net profit for the year		-	-	-	10.457.737	10.457.737
Transactions with owners						
Restructuring of share capital	25	(49.000.000)	-	49.000.000	-	-
Issue of share capital	25	2.336.833	87.516.939	-	-	89.853.772
Reduction of share premium and capital reduction reserve		-	(87.516.939)	(2.629.883)	-	(90.146.822)
Dividends	16	-	-	-	(12.500.000)	(12.500.000)
Transaction costs for raising new equity		-	-	(814.700)	-	(814.700)
Balance at 31 December 2024		**3.336.833**	**-**	**45.555.417**	**67.166.636**	**116.058.886**

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% (2023: 2,65%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	Note	2024 €	2023 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**11.767.260**	10.894.263
Adjustments for:			
Depreciation of property and equipment	17	**74.443**	75.456
Fair value loss on non-current asset held for sale	24	**423.027**	-
Fair value gains on investment property	18	**(4.458.763)**	(2.655.530)
Fair value losses on financial assets at fair value	21	**758.778**	1.025.970
Impairment charge on trade receivables	20	**356.510**	62.441
Interest income	13	**(81.434)**	(126.154)
Interest expense	13	**6.629.402**	4.981.007
Movement in provision for financial guarantees	9,28	**(31.807)**	(70.491)
		15.437.416	14.186.962
Changes in working capital:			
(Increase)/decrease in trade and other receivables		**(1.107.982)**	2.618
Decrease in prepayments and other assets		**34.631**	104.121
Increase in trade and other payables		**321.101**	634.144
Cash generated from operations		**14.685.166**	14.927.845
Tax paid		**(319.500)**	(684.310)
Net cash generated from operating activities		**14.365.666**	14.243.535
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property and equipment	17	**(11.737)**	(52.199)
Payment for additions to investment property	18	**(688.061)**	(1.774.181)
Loans granted to related parties	19	**(958.658)**	-
Increase in financial assets at fair value through profit or loss	21	**(209.700)**	-
Return on financial assets at fair value through profit or loss		**196.600**	-
Interest received		**52.970**	74.027
Net cash used in investing activities		**(1.618.586)**	(1.752.353)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		**(91.933.719)**	(3.906.380)
Advances from parent company		**-**	(986.151)
Proceeds from borrowings		**100.000.000**	-
Interest paid		**(4.901.615)**	(4.708.042)
Dividends paid		**(10.500.000)**	(4.224.461)
Arrangement fees on borrowings		**(1.059.164)**	-
Refunds related to interest rate hedge		**883.362**	450.118
Other interest paid		**-**	(65.804)
Transaction costs on new equity		**(814.700)**	-
Net cash used in financing activities		**(8.325.836)**	(13.440.720)
Net increase/(decrease) in cash and cash equivalents		**4.421.244**	(949.538)
Cash and cash equivalents at beginning of the year		**4.888.050**	5.837.588
Cash and cash equivalents at end of the year	23	**9.309.294**	4.888.050

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

1. Incorporation and principal activities

Country of incorporation

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

Principal activities

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

Operating Environment of the and assessment of Going Concern status

Economic indicators

A level of uncertainty exists from challenges such as inflationary pressures stemming from geopolitical tensions which might impact the stability of the Cyprus economy. Consequently, making reliable predictions about the ultimate outcomes is challenging, and there exists a possibility of variance between Management's present expectations and estimates and the actual results. The directors are of the view that the Company's going concern status and outlook is not compromised.

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 licensee

- containment of operational costs

- change of finance provider from Bank of Cyprus to Alpha Bank Limited during 2024

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

<u>Not having sufficient cash to meet liabilities as they fall due or meet financing obligations</u>

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 2025 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.

<u>A non-remedied breach of the financial covenants within the Company’s bank facilities</u>

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

1. Incorporation and principal activities (continued)

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

- Debt to Equity Ratio: shall not exceed 1.2 times

- Loan to Value Ratio: shall not exceed 65%

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 licensees

Management acknowledges the possibility that licensees may in future continue to face financial risks. This is an issue that is being appropriately managed with continuous monitoring of the licensees' ongoing situation.

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

2. Basis of preparation

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

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

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised IFRSs that are relevant to its operations and are effective for accounting periods beginning on 1 January 2024. This adoption did not have a material effect on the accounting policies of the Company.

4. Material accounting policy information

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

Administration and operating expenses

Expenses incurred are recognised on an accrual basis.

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

4. Material accounting policy information (continued)

Assets classified as held for sale

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of the assets previous carrying amount and fair value less costs to sell.

Segmental reporting

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

Revenue

Recognition and measurement

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

- **License fee income from rights for use of space**

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

  Incentives granted to licensees (such as relocation incentives that are typically provided to aid licensees in bringing newly occupied tenancy space in operational condition for their intended business use and that are considered lessee assets) and other incentives/discounts provided during Covid-19 in relation to the investment property of the Company, are initially capitalised in the statement of financial position under "other assets" and then reclassified to investment property, and accordingly charged on a systematic basis to profit or loss, in arriving at revenue for the financial period.

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

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

- **Lease income on land assets**

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

4. Material accounting policy information (continued)

Revenue (continued)

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

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

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

Employee benefits

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

Borrowing costs

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

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

Foreign currency translation

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

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value are reported as part of the fair value gain or loss.

Tax

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

4. Material accounting policy information (continued)

Tax (continued)

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

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

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

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

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

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

Dividend distribution

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

Property and equipment

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

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

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

No depreciation is provided on land.

4. Material accounting policy information (continued)

Property and equipment (continued)

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

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

Income from government grants

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

Investment property

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

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

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

Financial assets

Classification

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

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

4. Material accounting policy information (continued)

Financial assets (continued)

***Classification* (continued)**

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

Recognition and derecognition

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

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

Measurement

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

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of comprehensive income.

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

4. Material accounting policy information (continued)

Financial assets (continued)

Measurement (continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FV are recognised in "other gains/(losses)" in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FV are not reported separately from other changes in fair value.

Impairment - credit loss allowance for ECL

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

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within "net impairment losses on financial and contract assets". Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at AC are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

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

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

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

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

4. Material accounting policy information (continued)

Financial assets (continued)

***Impairment - credit loss allowance for ECL* (continued)**

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

Reclassification

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

Write-off

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

Cash and cash equivalents

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

Financial assets at amortised cost (loans and other receivables)

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

4. Material accounting policy information (continued)

Financial assets (continued)

Trade receivables (receivables from licensees under operating lease arrangements)

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

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

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

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

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

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

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

Credit related commitments

The Company issues commitments to provide loans. Such commitments are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Company will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at (i) the remaining unamortised balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model, unless the commitment is to provide a loan at a below market interest rate, in which case the measurement is at the higher of these two amounts. The carrying amount of the loan commitments represents a liability. For contracts that include both a loan and an undrawn commitment and where the Company cannot separately distinguish the ECL on the undrawn loan component from the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, they are recognised as a liability.

Financial liabilities

Measurement categories

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

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

4. Material accounting policy information (continued)

Financial assets (continued)

Borrowings

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

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

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

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

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

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

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

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

Trade and other payables

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

4. Material accounting policy information (continued)

Financial guarantee contracts

Financial guarantee contracts are contracts that require the Company to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued.

Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. In the absence of fees received, the fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantees are subsequently measured at the higher of (i) the amount determined in accordance with the expected credit loss model under IFRS 9 ''Financial Instruments'', and (ii) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 ''Revenue from Contracts with customers''.

Derivative financial instruments

Derivatives are initially recognised at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and any changes therein are generally recognised in profit or loss. Fair value is calculated using the current values, discounted cash flow analysis or option valuation methods. Derivatives are recorded as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative financial assets and liabilities comprise mainly interest rate swap and forward interest rate cap contracts for hedging purposes (economic hedge). The Company does not apply hedge accounting in accordance with IFRS 9.

The Company holds derivative financial instruments to hedge its interest rate exposures.

Offsetting financial instruments

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

Share capital

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

Provisions

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

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

4. Material accounting policy information (continued)

Non-current liabilities

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

Deferred income

In the normal course of the business, the Company may enter into specific arrangements with licensees, for the latter to cover portions of capital improvements that result in the enhancement of the Company's investment property and for which licensees have no recourse against the Company. Such payments made by the Company on behalf of licensees for additional construction work and alterations made to the Company's investment property under leasing arrangements, are initially recorded in deferred income and then reclassified to investment property. Such alterations and construction works are mutually agreed between the Company and the licensees. The Company, to recognise the benefit resulting from the fact that licensees unconditionally contribute to enhancements of the investment property, which effectively remain under the control and ownership of the Company, amortises such deferred income from the point in time the works are completed, over the remaining duration of the associated tenancy contracts, on a straight line basis. Amounts amortised are recognised in "other lease related income" in arriving at reported ''Revenue'' (Note 9).

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year or amend disclosures relevant to the prior year.

5. New accounting pronouncements

Standards issued but not yet effective

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

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

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The new requirements will be applied retrospectively with an adjustment to opening retained earnings.

5. New accounting pronouncements (continued)

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

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (Effective for annual reporting periods beginning on or after 1 January 2026)

The amendments in Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:

- Derecognition of a financial liability settled through electronic transfer: The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

- Classification of financial assets:
  - *Contractual terms that are consistent with a basic lending arrangement.* The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
  - *Assets with non-recourse features.*The amendments enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
  - *Contractually linked instruments.* The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments and provide an example. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

- Disclosures:
  - *Investments in equity instruments designated at fair value through other comprehensive income.* The requirements in IFRS 7 are amended for disclosures that an entity provides in respect of these investments. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.
  - *Contractual terms that could change the timing or amount of contractual cash flows.*The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.

5. New accounting pronouncements (continued)

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

Annual Improvements Volume 11 (Effective for annual reporting periods beginning on or after 1 January 2026)

The IASB's annual improvements project provides a streamlined process for dealing efficiently with a collection of amendments to IFRSs. The primary objective of the process is to enhance the quality of standards, by amending existing IFRSs to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts or oversights.

The amendments included in the Annual Improvements are the following:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 7 Financial Instruments: Disclosures
- IFRS 9 Financial Instruments:
- IFRS 10 Consolidated Financial Statements
- IAS 7 Statement of Cash Flows

IFRS 18 Presentation and Disclosure in Financial Statements (Effective for annual reporting periods beginning on or after 1 January 2027)

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18.

The amendments are applied retrospectively. Earlier application is permitted.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (Effective for annual reporting periods beginning on or after 1 January 2027)

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:
- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

5. New accounting pronouncements (continued)

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

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

6. Financial risk management

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

6.1 Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and that such changes will affect The Company's income or the value of its holdings of financial instruments.

Sensitivity analysis
An increase in market valuation by 5% at 31 December 2024 would have increased equity and profit or loss by €4.717 (2023: €42.463). For a decrease of 5% there would be an equal and opposite impact on the profit and loss.

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

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

	2024	2023
	€	€
Variable rate instruments		
Financial assets - cash at bank and loans receivable	**10.278.871**	4.881.661
Financial liabilities - loans payable	**(100.311.185)**	(88.713.560)
	(90.032.314)	(83.831.899)

6. Financial risk management (continued)

6.2 Interest rate risk (continued)

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2024 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	Profit or loss	
	2024	2023
	€	€
Variable rate instruments	**900.323**	838.319
	900.323	838.319

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

(i) Risk management

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

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

(ii) Impairment of financial assets

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

The Company's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

Trade and other receivables

The Company assesses, on an individual and collective basis, its exposure to credit risk arising from trade receivables and other assets. This assessment is based on the credit history of the customers with the Company as well as the period the trade receivable or other asset is more than 120 days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

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

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

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade and other receivables (continued)

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

	Trade receivables from licensees and other receivables	
	2024	2023
	€	€
Individual assessment	**443.900**	686.199
Collective assessment	**2.129.517**	1.458.110
Total gross receivables (before provisions)	**2.573.417**	2.144.309

	Loss allowance	
	2024	2023
	€	€
Individual assessment	**412.891**	666.658
Collective assessment	**96.918**	96.918
Total	**509.809**	763.576

The closing loss allowances (under collective and individual assessments) for trade and other receivables as at 31 December 2024 reconcile to the opening loss allowances as follows:

	Trade receivables	
	2024	2023
	€	€
Balance at 1 January	**763.576**	1.027.397
Impairment losses recognised on receivables in profit or loss during the year - net	**356.510**	62.441
Set-offs against gross trade receivables and recoveries	**(610.277)**	(326.262)
Balance at 31 December	**509.809**	763.576

Management of the Company continued to implement a dual model of impairment determination, on an individual as well as collective assessment for year 2024, to capture the impact of the financial situation affecting business operations in the most comprehensive manner possible. For the individual assessment exercise, Management considered, among other, the following factors in its selection process:

• Monetary exposure (gross outstanding balances)

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

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

• Ability of licensees to trade during disruptive periods

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

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade and other receivables (continued)

For licensee receivables under collective assessment for year 2024 and 2023, a matrix approach was followed based on groupings of customers with common industry characteristics (segments). The Company remodelled the applicable groupings for 2024 compared to 2023. Individual loss rates by segment were applied based on days overdue. Expected Credit losses in respect of customer balances undergoing individual assessment, were excluded from the final result. The cumulative loss allowance at 31 December 2024 was €96.918 (2023: €96.918). Information about the provision matrices applied for the 2024 collective assessment exercise is as follows:

Licensee sector	**Loss rates**
Food and beverage	5%
Fashion	8%
Other	28%

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due. During 2023, an amount of €326.262 of gross trade receivables has been written off and during 2024 €545.861 was written off and €64.416 was recovered.

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

Receivables which have been individually assessed are considered to be Stage 2 or Stage 3. Those that have been collectively assessed have been evaluated at Stage 2.

In respect of receivables individually assessed €410.750 were Stage 3 at default and have been fully provided. The remaining were Stage 2 and assessed considering payment history and financial position.

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

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

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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

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

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

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

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

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)
Write-off	Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery.	Asset is written off	None

Loans receivable and other receivables from related parties

The Company has a current loan receivable amount of €976.692 at the reporting date, due from its fellow subsidiary. No provision for expected credit losses has been recognised as the assessed amount was insignificant. The loans are categorised as stage 1 since inception.

The Company has a receivable amount of €4.322 due from The Mall of Limassol (ML) Ltd, a related party, and €61.594 due from The Mall of Engomi (ME) Plc, its fellow subsidiary, related parties, which are also regarded a stage 1 asset, with insignificant impact in terms of credit losses.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Cash and cash equivalents

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

As of 31 December 2024, the Company has all of its cash deposited with a single financial institution with an external credit rating of Ba2 (Moody's). Company deposits are short term and allocated to Stage 1 exposures.

Financial guarantee contracts

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

At the reporting date, the Company acts as a guarantor to the bank loan of fellow subsidiary The Mall of Engomi (ME) Plc for the amount of €20.270.383 (Note 33). It is not expected that any loss will result from such guarantees provided by the Company, since the property of the borrower is also pledged as security. There have been no indications as of the reporting date that the borrower is likely to fail meeting up its loan instalments. Under IFRS 9 a provision has been recognised in respect of the financial guarantee provided, being the estimated 12-month ECL, which takes into account the probability of default of the beneficiary entity, the loss given default and the exposure at default (Note 26).

6.4 Liquidity risk

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

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

31 December 2024	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	100.311.185	124.247.254	1.817.391	4.872.958	7.001.471	110.555.434	-
Trade and other payables	2.766.023	2.766.023	2.766.023	-	-	-	-
Payables to related parties	10.410	10.410	10.410	-	-	-	-
Financial Guarantees - contractual amounts	20.270.383	20.270.383	20.270.383	-	-	-	-
	123.358.001	**147.294.070**	**24.864.207**	**4.872.958**	**7.001.471**	**110.555.434**	**-**

6. Financial risk management (continued)

6.4 Liquidity risk (continued)

31 December 2023	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Bank loans	88.713.560	138.918.331	2.353.999	6.994.159	9.079.062	29.574.390	90.916.721
Trade and other payables	2.487.054	2.487.054	2.487.054	-	-	-	-
Financial guarantees - contractual amount	38.800.000	38.800.000	38.800.000	-	-	-	-
Payables to related parties	78.401	78.401	78.401	-	-	-	-
Loan from parent company	213.149	213.149	213.149	-	-	-	-
	130.292.164	180.496.935	43.932.603	6.994.159	9.079.062	29.574.390	90.916.721

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management maintains flexibility in funding by maintaining availability under committed credit lines (Note 26).

Management monitors rolling forecasts of the Company's cash and cash equivalents (Note 23) on the basis of expected cash flow. Based on their experience, management considers that the bank overdraft will continue to be renewed normally on an annual basis.

With respect to financial guarantees, as referred to Note 6.3, the Company acts as guarantor for a fellow subsidiary to the amount of €20.270.383, which is the outstanding debt as at year end.

6.5 Capital risk management

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

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

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

The Company's capital is analysed as follows:

	2024	2023
	€	€
Total borrowings (Note 26)	**100.311.185**	88.713.560
Less: Cash and cash equivalents (Note 23)	**(9.309.294)**	(4.888.050)
Net debt	**91.001.891**	83.825.510
Total equity	**116.058.886**	119.208.899
Total capital	**207.060.777**	203.034.409
Gearing ratio	**43,95%**	41,29%

6. Financial risk management (continued)

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The carrying amount less impairment provision of financial assets and liabilities are assumed to approximate their fair values.

Refer to Note 18 for disclosure of fair value for investment properties carried at fair value.

7. Critical accounting estimates, judgments and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

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

  The valuations are based on a discounted cash flow (DCF) analysis of each property. The DCF analyses are adjusted to existing license fee agreements, in order to cover the full period of existing license fee agreements. The DCF analyses are based on calculations of the future rental revenue in accordance with the terms in existing license fee agreements and estimations of the rental values when the agreements expire. The investment property portfolio is typically appraised on an annual basis.

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

  A lessor shall classify each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract. In that respect, management evaluates the indicators of arrangements entered into, such as potential of ownership transfer at end of lease term, options to extend and at what rentals compared to market, lease durations compared to asset useful lives, and comparison of the present value of lease payments compared to asset values and makes the appropriate classification of the lease arrangement. Management has assessed its leases to be operating leases considering the business model and the nature and terms of the leases which are not for a major part of the economic life of the asset and at inception date, the present value of the lease payments does not amount to substantially all of the fair value of the underlying assets. The terms of the leases are described further in Note 34.

8. Rights for use of space and other revenue

Disaggregation of revenue	2024	2023
	€	€
Rights for use of space - minimum licence fees (i)	**14.824.912**	14.112.144
Rights for use of space - additional licence fees (i)	**379.966**	310.446
License fee related income from licensee contributions (ii)	**7.673**	9.458
License fee related expenses from relocation incentives granted (iii)	**(58.079)**	(107.676)
License fee related expenses from discounts granted (iv)	**(230.388)**	(314.734)
Lease income from land lease (i)	**754.892**	793.114
Total license fee/lease income	**15.678.976**	14.802.752
Revenue from service charge, utilities and other recoveries	**3.888.536**	4.029.922
	19.567.512	18.832.674

(i) Income from the "Rights of use of space" relates to license/lease agreements that were in effect during 2024. Income that is derived based on the financial performance of licensees is separately presented under "Additional licence fees" and is determined as a percentage of the licensees' 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) ‘’License fee related income from licensee contributions’’ refers to the amortised portion of capital expenditure incurred by the Company on behalf of, and billed to certain licensees, 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 licensees, arriving at reported income (Note 18).

(iii) "Relocation incentives" refer to incentives the Company has granted to licensees, as a result of the 2019 expansion project in the Mall of Cyprus. The incentives are released/amortised to profit or loss over the lease terms of the applicable licensees, arriving at reported revenue (essentially treated as "discounts") (Note 22).

(iv) License fee related expenses from ‘’Discounts granted’’ relate to the discounts given to licensees 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 licensees 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 licensees' 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 22) prior to its reclassification to investment property (Note 18).

9. Other operating income

	2024	2023
	€	€
Financial guarantee income	**31.807**	70.491
Bad debts recovered	**64.416**	362.212
VAT claimed for bad debts	**73.874**	-
Termination of asset management agreement with Fliptype (Note 11)	**-**	752.500
Promotional and other income	**1.246.167**	886.454
	1.416.264	2.071.657

Other operating income in 2024 includes sundry amounts such as income from advertising, car parking fees and electricity income.

Other income in 2023 includes the reimbursement of the settlement for Fliptype Holdings Limited’s asset management contract for an amount of €752.500 by Atterbury Europe Services B.V.

10. Fair value gains on investment property

	2024	2023
	€	€
Fair value gains on investment property (Note 18)	**4.458.763**	2.655.530
	4.458.763	2.655.530

11. Administration and other operating and selling expenses

	2024	2023
	€	€
Licenses and taxes	**47.389**	54.666
Insurance	**89**	65
Repairs and maintenance	**44.363**	132.440
Auditor's remuneration for statutory audit purposes	**48.000**	46.000
Directors' fees (Note 31.1)	**10.400**	3.125
Other professional fees	**413.314**	318.736
Bad debts written off	**-**	168.003
Termination of asset management agreement with Fliptype (Note 9)	**-**	752.500
Management fees	**544.515**	564.291
Other expenses	**44.378**	57.410
Bank charges	**52.994**	27.882
Property management, maintenance and utility costs*	**4.309.088**	4.521.760
Depreciation (Note 17)	**74.443**	75.456
	5.588.973	6.722.334

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

	2024	2023
Building and infrastructure-related expenses	**81.074**	105.826
Electricity and other utility expenses	**1.378.790**	1.594.970
Refuse and cleaning expenses	**367.658**	349.055
Payroll and property management fees	**901.343**	815.739
Repairs and maintenance expenses	**549.509**	541.228
Security expenses	**379.238**	360.984
Marketing expense	**410.165**	436.151
Insurance expenses	**235.236**	257.586
Other sundry expenses	**6.075**	60.221
	4.309.088	4.521.760

The total fees charged by the Company's statutory auditor for the statutory audit of the financial statements of the Company for the year ended 31 December 2024 amounted to €48.000 (2023: €46.000). The total fees charged by the Company's statutory auditor for the year ended 31 December 2024 for tax services and for other assurance services was €11.900 (2023: €3.200).

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12. Staff costs

	2024	2023
	€	€
Salaries	**513.489**	449.424
Social security costs	**61.651**	50.577
GHS contribution	**13.608**	11.910
	588.748	511.911
Average number of employees	**13**	14

The above amounts are included in ''Property management, maintenance and utility costs'' (Note 11).

13. Finance income

	2024	2023
	€	€
Finance income		
Interest from related parties (Note 19)	**18.034**	70.370
Other interest	**53.829**	55.784
Interest income on tax	**9.571**	-
	81.434	126.154
Interest expense		
Loan interest (Note 26)	**(6.526.614)**	(4.933.037)
Hedging fees	**(27.300)**	(36.400)
Interest on loan from related company (Note 26)	**(54.608)**	(10.046)
Other interest	**(20.880)**	-
Interest on taxes	**-**	(1.524)
Net foreign exchange losses		
Realised foreign exchange losses	**(23)**	-
	(6.629.425)	(4.981.007)
Net finance costs	**(6.547.991)**	(4.854.853)

14. Tax

	2024	2023
	€	€
Corporation tax - current year	**803.676**	749.587
Corporation tax - prior years	**(106.665)**	8.763
Defence contribution - current year	**26.685**	36.020
Deferred tax - charge (Note 27)	**585.827**	431.291
Charge for the year	**1.309.523**	1.225.661

14. Tax (continued)

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

	2024	2023
	€	€
Profit before tax	**11.767.260**	10.894.263
Tax calculated at the applicable tax rates	**1.470.908**	1.361.783
Tax effect of expenses not deductible for tax purposes	**326.968**	221.182
Tax effect of allowances and income not subject to tax	**(994.200)**	(771.297)
Tax effect of tax losses brought forward	**-**	(62.081)
Defence contribution current year	**26.685**	36.020
Deferred tax	**585.827**	431.291
Prior year tax	**(106.665)**	8.763
Tax charge	**1.309.523**	1.225.661

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 17%. 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%.

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

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2024	2023
Profit attributable to shareholders (€)	**10.457.737**	9.668.602
Weighted average number of ordinary shares in issue during the year	**311.301.444**	100.000.000
Profit/(loss) per share attributable to equity holders (cent) - basic and diluted	**3,36**	9,67

16. Dividends

	2024	2023
	€	€
Interim dividend paid	**12.500.000**	11.724.461
	12.500.000	11.724.461

On 17 April 2024 the Board of Directors approved the payment of an interim dividend of €7.500.000 to its shareholders from the net profit of the year ended 31 December 2023 and on 14 November 2024 the Board of Directors approved the payment of an additional amount of €5.000.000 to its shareholders in respect of 2024 results. €10.500.000 was paid in cash and €2.000.000 was converted to a loan which was subsequently repaid. In 2023 dividends of €11.724.461 were declared.

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled. Dividends are also subject to a 2,65% contribution to the General Healthcare System.

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17. Property and equipment

	Artworks	Leasehold property improv.	Plant and machinery	Signs	Furniture, fixtures and office equipment	Computer Software	Computer hardware	Total
	€	€	€	€	€	€	€	€
Cost								
Balance at 1 January 2023	140.490	58.500	1.413.953	414.458	658.840	-	155.651	2.841.892
Additions	-	-	9.294	-	9.190	3.336	30.379	52.199
Balance at 31 December 2023/ 1 January 2024	**140.490**	**58.500**	**1.423.247**	**414.458**	**668.030**	**3.336**	**186.030**	**2.894.091**
Additions	-	-	4.435	119	4.165	-	3.018	11.737
Balance at 31 December 2024	**140.490**	**58.500**	**1.427.682**	**414.577**	**672.195**	**3.336**	**189.048**	**2.905.828**
Depreciation								
Balance at 1 January 2023	-	58.500	1.297.279	383.270	611.104	-	155.171	2.505.324
Charge for the year	-	-	46.364	11.291	11.952	278	5.571	75.456
Balance at 31 December 2023/ 1 January 2024	**-**	**58.500**	**1.343.643**	**394.561**	**623.056**	**278**	**160.742**	**2.580.780**
Charge for the year	-	-	12.452	11.291	38.879	1.112	10.709	74.443
Balance at 31 December 2024	**-**	**58.500**	**1.356.095**	**405.852**	**661.935**	**1.390**	**171.451**	**2.655.223**
Net book amount								
Balance at 31 December 2024	**140.490**	**-**	**71.587**	**8.725**	**10.260**	**1.946**	**17.597**	**250.605**
Balance at 31 December 2023	**140.490**	**-**	**79.604**	**19.897**	**44.974**	**3.058**	**25.288**	**313.311**

18. Investment property

	2024	2023
	€	€
Balance at 1 January	**223.284.970**	202.632.000
Additions	**688.061**	2.109.388
License fee incentives and deferred income adjustment net of amortisation	**(280.794)**	(288.948)
Transfer from assets classified as held for sale (Note 24)	**-**	16.177.000
Fair value adjustment based on external valuer's assessment (Note 10)	**4.458.763**	2.655.530
Open market value per external valuation at 31 December	**228.151.000**	223.284.970
Transfer to assets classified as held for sale (Note 24)	**(4.942.000)**	-
Balance at 31 December	**223.209.000**	223.284.970

18. Investment property (continued)

The investment properties are valued annually at fair value, comprising open market value based on valuations by an independent, professionally qualified valuer. Fair value is based on an active market process, adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. If the information is not available, the Company uses alternative valuation methods such as recent prices or less active markets or discounted cash flow projections. These valuations are typically prepared annually by independent valuers and reviewed and adopted by management. Changes in fair value are recorded in profit or loss and are included in "fair value gains/(losses) on investment property". In arriving at open market value, Management takes into account any significant impact of license fee incentives (such as relocation incentives, conditional discounts to licensees qualifying as rent concessions and any deferred income associated with future benefits accruing to the Company in relation to licensee contributions to the value of investment property) in order to avoid double counting in the Company's assets and liabilities. The adjustment as at 31 December 2024 and 2023 for the aforementioned incentives, was derived from relocation incentives and unamortised discounts granted to licensees both classified under ''other assets'' (Note 22) 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 2023, the Company decided not to proceed with the sale of Annex 3 and Annex 4, therefore they were transferred back from assets held for sale to investment property (Note 24). During 2024, the Company made the decision to sell Annex 3, consequently transferring it from investment property to assets held for sale with the carrying amount of €4.518.973, which is equal to the selling price of €4.600.000 less cost to sell of €81.027.

"Deferred income" relates to capital expenditure incurred by the Company on behalf of certain licensees, in transforming/enhancing the space occupied in the Mall of Cyprus with individualised features and improvements, and which have resulted in enhancements in the fair value of the investment property. For the Company to recognise any deferred income, enhancements should be contractually provisioned to remain within the Company's ownership. Hence the licensee not occupying any claims for any contributions made. Amounts recognised in profit or loss under "Revenue", are based on the duration of each individual corresponding license/lease contract (Note 8). Deferred income at each reporting date, is reclassified for fair value estimation purposes, to investment property, prior to the remeasurement of the latter to its fair value. The nature of the license fee incentives are disclosed in Note 22.

Deferred income of €5.532 (2023: €13.205) was reclassified to investment property.

Valuation processes of the Company

The Company's investment properties were most recently valued by management as at 31 December 2024. The investment property portfolio is typically appraised on an annual basis.

As part of the process for year-end financial reporting purposes, Management took into account the external valuation prepared as at 31 December 2024 by independent professionally qualified valuers Colliers, 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.

Management has considered key assumptions and they have concluded on a fair value gain of the investment property value of €4.458.763 including asset classified as held for sale (2023: €2.655.530).

Bank borrowings are secured on the Company's investment property.

18. Investment property (continued)

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 2024:

Property	Valuation €	Valuation technique	Discount rate %	Terminal capitalisation rate %	Revenue in year 1 €	Revenue growth %
The Mall of Cyprus	228.151.000	Income approach - Discounted cash flows	9,6	4,00 - 7,84	16.485.749	3

Year end 31 December 2023:

Property	Valuation €	Valuation technique	Discount rate %	Terminal capitalisation rate %	Revenue in year 1 €	Revenue growth %
The Mall of Cyprus	223.284.970	Income approach - Discounted cash flows	6,00 - 9,75	4,00 - 7,75	16.434.066	2,00 - 3,00

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 each of 31 December 2024 and 31 December 2023. The sensitivity analysis for 2024 is based on carrying value before reclassification to assets held for sale.

Sensitivity of Management's estimates 31 December 2024

		Change in discount rate		
Description	Change in cap rate	-0,50%	0,00%	0,50%
The Mall of Cyprus	-0,50%	245.519.000	237.037.000	228.932.000
	0,00%	236.217.000	228.151.000	220.441.000
	0,50%	228.191.000	220.481.000	213.114.000
	Change in revenue			
	-0,50%	234.078.000	226.022.000	218.321.000
	0,00%	236.217.000	228.151.000	220.441.000
	0,50%	238.356.000	230.280.000	222.560.000

Sensitivity of Management's estimates 31 December 2023

		Change in discount rate		
Description	Change in cap rate	-0,50%	0,00%	0,50%
The Mall of Cyprus	-0,50%	240.237.970	232.058.970	224.245.970
	0,00%	231.047.970	223.284.970	215.862.970
	0,50%	223.167.970	215.757.970	208.673.970
	Change in revenue			
	-10,00%	207.267.970	200.313.970	193.666.970
	0,00%	231.047.970	223.284.970	215.862.970
	10,00%	254.828.970	246.252.970	238.057.970

A change in the vacancy rate by 5%, i.e. should the occupied spaces decrease to 95% of the available area for tenancy, would lead to a decrease of the fair value from the base scenario by €10.557.000 (2023: €10.472.000), i.e. bringing fair value to €217.594.000 at 31 December 2024 (2023: €212.812.970).

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

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

Valuation techniques underlying management's estimation of fair value

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

Revenue (Future rental cash inflows)	Based on the actual location, type and quality of the properties and supported by the terms of any existing license fee agreement, 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 license fee agreement
Capitalisation rate	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, revenue rates and vacancy rates, which rank as the most significant on an impact basis.

For investment property with a total carrying amount of €223.209.000, the valuation was determined using discounted cash flow projections, as subsequently adjusted for financial reporting purposes. Properties valued using the discounted cash flows model take into account future rental values, vacant spaces and maintenance costs discounted to the present value using an estimated discount rate.

19. Loans receivable

	2024	2023
	€	€
Balance at 1 January	**-**	1.240.377
New loans granted	**958.658**	-
Interest charged (Notes 13, 31.5)	**18.034**	70.370
Set off against borrowings (Note 26)	**-**	(1.310.747)
Balance at 31 December	**976.692**	-

	2024	2023
	€	€
Loans to fellow subsidiaries (Note 31.5)	**976.692**	-
	976.692	-

The loans are repayable as follows:

	2024	2023
	€	€
Within one year	**976.692**	-

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

During 2023, management approved the offsetting of the loan payable to Atterbury Cyprus Ltd with the loan receivable from Atterbury Cyprus Limited (refer to Note 26) resulting in a net loan payable position at 31 December 2023.

During the year, the Company granted a loan to its fellow subsidiary, The Mall of Engomi (ME) Plc, for the amount of €958.658, bearing interest of 6,35% and has no fixed repayment terms. The interest income amounting to €18.034 (2023: €70.370), was recognised in profit or loss in "finance income" (Note 13).

20. Trade and other receivables

	2024	2023
	€	€
Trade receivables - gross	**1.501.108**	1.529.633
Other receivables - gross	**1.072.309**	614.676
Less: provision for impairment of receivables	**(509.809)**	(763.576)
Trade receivables - net	**2.063.608**	1.380.733
Receivables from related parties (Note 31.4)	**68.876**	279
	2.132.484	1.381.012

The Company has recognised an impairment loss of €356.510 (2023: €62.441) on its trade receivables during the year ended 31 December 2024.

In 2024 the other receivables balance mainly relate to uninvoiced additional license fees and utilities which was invoiced in January 2025. It also includes an outstanding balance of a licensee that left the Mall with an agreed payment plan.

The Company has recognised a loss of €168.003 for the write off of trade receivables during the year ended 31 December 2023. The loss has been included in administration and other operating and selling expenses in profit or loss.

The Company does not hold any collateral over the trading balances.

Movement in provision for impairment of receivables:

	2024	2023
	€	€
Balance at 1 January	**763.576**	1.027.397
Impairment losses recognised on receivables	**356.510**	62.441
Amount written off	**(545.861)**	(326.262)
Recoveries of amounts provided against	**(64.416)**	-
Balance at 31 December	**509.809**	763.576

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

21. Financial assets at fair value through profit or loss

	2024	2023
	€	€
Balance at 1 January	**849.251**	1.875.221
Additions	**209.700**	-
Hedge term return	**(205.825)**	-
Change in fair value	**(758.778)**	(1.025.970)
Balance at 31 December	**94.348**	849.251

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.

Due to the transfer of loans, the hedging agreement with the Bank of Cyprus was terminated, resulting in a return of €205.825 and a fair value adjustment of €643.426. On 31 October 2024, a new hedging agreement with Alpha Bank Cyprus was signed, with the same terms, and a deposit of €209.700. The financial asset was remeasured at fair value as at 31 December 2024 at €94.348, recognising a fair value loss in the profit or loss for 2024 €115.352.

22. Prepayments and other assets

	2024	2023
	€	€
Prepayments	**129.978**	164.609
Other assets - relocation incentives granted to licensees (amount prior to transfer to ''investment property'')	**136.137**	194.216
Other assets - unamortised discounts granted to licensees (amount prior to transfer to ''investment property'')	**178.176**	408.564
Less: reclassification of incentives and discounts to licensees to investment property (Note 18)	**(314.313)**	(602.780)
Balance at 31 December	**129.978**	164.609
Less non-current portion of prepayments	**(33.866)**	(30.000)
Current portion	**96.112**	134.609

"Other assets - relocation incentives granted to licensees" relate to expenses incurred by the Company towards relocation incentives to existing licensees. Relocation incentives were provided mainly to aid licensees throughout the re installation and refitting works in transforming newly occupied space for the licensees' specific business operations and needs. Management is of the opinion, that these relocation incentives do not increase the investment property's fair value, since these contributions have mainly resulted in licensee leasehold improvements.

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

Both the aforementioned relocation incentives and discounts granted to licensees, are amortised to profit or loss over the remaining duration or term of each corresponding individual license/lease agreement. During the current year, an additional amount was granted of €Nil (2023: €127.000) and €58.079 (2023: €107.676) has been discharged to profit or loss (Note 8) with regards to these incentives. In addition, an amount of €230.388 (2023: €314.734) has been discharged to profit or loss with regards to those discounts (Note 8).

The incentives and discounts to licensees at each reporting date, are reclassified for fair value estimation purposes, to investment property, prior to the remeasurement of the latter to its fair value (Note 18).

23. Cash at bank and in hand

Cash balances are analysed as follows:

	2024	2023
	€	€
Cash in hand	**7.115**	6.389
Current accounts	**6.395.566**	1.206.818
Notice accounts*	**2.906.613**	3.674.843
	9.309.294	4.888.050

* Notice accounts relate to guarantee accounts for borrowings and are not restricted in use.

Management considers the balances at bank to fully meet the definitions of "cash equivalents", based on the agreed terms with Alpha Bank Cyprus. Alpha Bank Cyprus is the sole credit institution with which cash is held by the Company. Interest on short term bank deposits included in notice accounts accrues at the annual rate between 0% and 4,29%.

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

24. Assets classified as held for sale

	Investment property €
Balance at 1 January 2023	16.177.000
Transfer to investment property (Note 18)	(16.177.000)
Balance at 31 December 2023/ 1 January 2024	-
Transfer from investment property (Note 18)	4.942.000
Fair value loss on held for sale	(423.027)
Balance at 31 December 2024	**4.518.973**

In 2022, the Company made the decision to sell Annex 3 and Annex 4 of the Mall, consequently transferring them from investment property to assets held for sale. However, in 2023, the planned transaction did not materialize, leading to the reclassification of Annex 3 and Annex 4 of the Mall back to investment property (Note 18).

During 2024, the Company made the decision to sell Annex 3, consequently transferring it from investment property to assets held for sale with the carrying amount of €4.518.973, which is equal to the selling price of €4.600.000 less costs to sell of €81.027.

25. Share capital and share premium

	2024 Number of shares	**2024 €**	2023 Number of shares	2023 €
Authorised				
Ordinary shares of €0,01/€0,50 each	**371.000.000**	**3.710.000**	371.000.000	185.500.000

Issued and fully paid	**Number of shares**	**Share capital €**	**Share premium €**	**Capital reduction reserve fund €**	**Total €**
Balance at 1 January 2023	100.000.000	50.000.000	-	-	50.000.000
Balance at 31 December 2023/ 1 January 2024	**100.000.000**	**50.000.000**	**-**	**-**	**50.000.000**
Restructuring of share capital	-	(49.000.000)	-	49.000.000	-
Issue of share capital	233.683.310	2.336.833	87.516.939	-	89.853.772
Reduction of share premium and capital reduction reserve	-	-	(87.516.939)	(2.629.883)	(90.146.822)
Balance at 31 December 2024	**333.683.310**	**3.336.833**	**-**	**46.370.117**	**49.706.950**

On 31 August 2023, the Company increased its authorised share capital to €185.500.000 divided into 371.000.000 ordinary shares of nominal value €0,50 each which have the same rights as the existing ordinary shares.

On 9 January 2024, the Company proceeded with a restructuring of its share capital by reducing the nominal value of the ordinary shares from €0,50 per share to €0,01 per share. As a result, the authorised share capital was amended to €3.710.000 divided into 371.000.000 ordinary shares of €0,01 each, while the issued share capital was amended to €1.000.000 divided into 100.000.000 ordinary shares of €0,01 each, with the corresponding transfer to capital reduction reserve fund.

25. Share capital and share premium (continued)

On 12 April 2024, the Board of Directors resolved to convene an extraordinary general meeting to approve the issue and allot via private placement 233.683.310 ordinary shares of nominal value €0,01 each, out of the unissued authorised share capital of the Company to Pareto Limited for a total consideration of €89.853.772 that constituted c. 70,03% of the issued share capital of the Company post issuance. Pareto Limited discharged its obligations to settle the total Issue Price through an in-kind contribution. After the court approval on 20 June 2024, the share premium and capital reduction reserve was reduced by an amount of €87.516.939 in respect of share premium and €2.629.883 in respect of the capital reduction reserve fund (€90.146.822 in total). The capital reduction was implemented by a pro-rata return of capital in the amount of €90.146.822 to the previous shareholders of the Company, which could at the election of the board, be settled either in cash or in-kind on 22 August 2024 and in this regard the board has resolved that Atterbury Cyprus Limited be settled in-kind and the general public in cash.

26. Borrowings

	2024	2023
	€	€
Balance at 1 January	**88.713.560**	86.501.495
Additions	**102.000.000**	8.200.000
Repayments	**(95.923.813)**	(9.620.270)
Interest expense (Note 13)	**5.169.301**	4.774.138
Arrangement fees	**(1.059.164)**	-
Amortisation of arrangement fees and loss on modification (Note 13)	**1.411.301**	168.944
Set off against receivable (Note 19)	**-**	(1.310.747)
Balance at 31 December	**100.311.185**	88.713.560

	2024	2023
	€	€
Current borrowings		
Bank loans	**6.623.906**	3.083.708
Loan from parent company (Note 31.7)	**-**	213.149
	6.623.906	3.296.857
Non-current borrowings		
Bank loans	**93.687.279**	85.416.703
Total	**100.311.185**	88.713.560

On 27 September 2024, the Company terminated the loan agreements with Bank of Cyprus and signed a facility agreement with Alpha Bank Limited and fellow subsidiary, the Mall of Engomi (ME) Plc, as shown in the table below:

Alpha Bank Agreement	**Commitment**	**Interest rate per agreement**	**Maturity**
MOC Facility	€100.000.000	3m Euribor + 2%	27/09/2029
MOE Facility	€20.000.000	3m Euribor + 2%	27/09/2029

Unamortised costs and unwinding of fair value adjustment of €1.358.343 with regards to the prior borrowings has been charged to the 2024 profit or loss.

The bank has 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 1.2 times

• Loan to Value Ratio: shall not exceed 65%

At 31 December 2024 the Company was in compliance with the above covenants.

26. Borrowings (continued)

The bank loans are secured as follows:

a) The Mall of Engomi (ME) Plc guaranteed the loans of the Company up to an amount equal to the outstanding balance

b) By floating charge of €33.330.000 on the assets of The Mall of Cyprus (MC) Plc

c) By the assignment of €33.330.000 from the rights of use of space in The Mall of Cyprus (MC) Plc

d) By mortgage of the freehold property of €103.000.000

In addition, Pareto Limited and Atterbury Cyprus Limited pledged their shares in the Company and in The Mall of Engomi (ME) Plc.

Securities are limited to outstanding book balance of outstanding bank borrowings as at 31 December 2024 of €101.317.391.

Maturity of non-current borrowings:

	2024	2023
	€	€
Between one to two years	**6.931.938**	3.033.720
Between two and five years	**86.755.341**	13.172.818
After five years	**-**	69.210.165
	93.687.279	85.416.703

The weighted average effective interest rates for the period were as follows:

	2024	2023
	%	%
Bank loans	**5,35**	5,65

The carrying amount of borrowings approximate their fair value.

(b) Loans due to parent company

During 2023, management approved the offsetting of the loan payable to Atterbury Cyprus Limited with the loan receivable from Atterbury Cyprus Limited (Note 19).

The 2023 loan balance was unsecured, denominated in Euro, and bears interest of 3-month Euribor plus 4,20% and has no fixed repayment terms. Due to increases in the 3-month Euribor during the year, the applicable interest rate was adjusted every three months, reaching 8,43% by the year end 31 December 2023. The loan was fully repaid in 2024. In addition a loan was provided in 2024 of €2.000.000 in lieu of dividends (Note 16) and was subsequently repaid.

27. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 14). The applicable corporation tax rate in the case of tax losses is 12,5% (there are no tax losses available for offset at 31 December 2024 and 2023 respectively).

27. Deferred tax (continued)

Deferred tax liability

	2024	2023
	€	€
Balance at 1 January	**18.075.634**	17.644.342
Fair value gains on investment property	**146.407**	2.879
Difference between depreciation and wear & tear allowances	**468.219**	467.755
Accelerated tax benefit - discounts granted to licensees	**(28.799)**	(39.342)
Balance at 31 December	**18.661.461**	18.075.634

Deferred taxation liability arises as follows:

	2024	2023
	€	€
Accelerated tax depreciation - discounts granted to licensees	**22.272**	51.071
Fair value gains on investment property	**10.315.122**	10.168.715
Difference between depreciation and wear & tear allowances	**8.324.067**	7.855.848
	18.661.461	18.075.634

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 licensees: Deferred tax liability arises based on the full claim during prior years of the corporation tax effect for the entire discounts granted to licensees. The amortisation of the capitalised amounts with respect to such discounts will be over the remaining duration of each corresponding license fee agreement (Note 22), will be ignored in arriving at future taxable profits, as such a timing difference arises.

28. Provisions for other liabilities and charges

	Financial guarantee contracts	Total
	€	€
Balance at 1 January 2023	168.943	168.943
Charged/(credited) to profit or loss	(70.491)	(70.491)
Balance at 31 December 2023/ 1 January 2024	**98.452**	**98.452**
Charged/(credited) to profit or loss	(31.807)	(31.807)
Balance at 31 December 2024	**66.645**	**66.645**

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 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 a guarantor for bank loans of its fellow subsidiary, with the amount of the guarantees at €20.270.383. (Note 33).

29. Trade and other payables

	2024	2023
	€	€
Trade payables and accruals	**1.611.721**	1.338.357
Retentions for construction work on investment property	**21.416**	36.031
Cash guarantee	**256.086**	198.018
VAT and other payables	**1.262.165**	1.171.580
Overbilled service charges to licensees	**-**	22.093
Deposits by licensees	**2.002.731**	1.943.553
Payables to related companies (Note 31.6)	**10.410**	78.401
	5.164.529	4.788.033
Less non-current payables	**(1.800.921)**	(1.325.259)
Current portion	**3.363.608**	3.462.774

"Deposits by licensees" relate to security deposits made by licensees upon the inception of their license/lease agreements. These security deposits will be refunded by the Company to the licensees 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 licensees' 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 capital projects at 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.

30. Current tax liabilities/(refundable taxes)

	2024	2023
	€	€
Corporation tax payable/(refundable)	**358.668**	(3.375)
	358.668	(3.375)

31. Main shareholders and related party transactions

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 Pareto Limited, incorporated in South Africa, which effectively owns 77,5% (2023: controlled by Atterbury Cyprus, incorporated in Cyprus with 99,68%) of the Company's shares at the reporting date and at the date of approval of these financial statements.

The following transactions were carried out with related parties:

31.1 Directors' remuneration

The remuneration of Directors were as follows:

	2024	2023
	€	€
Directors' fees	**10.400**	3.125
	10.400	3.125

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For the year ended 31 December 2024

31. Main shareholders and related party transactions (continued)

31.2 Finance income

	Nature of transactions	2024 €	2023 €
The Mall of Engomi (ME) Plc	Interest income on loan	**18.034**	-
Atterbury Cyprus Limited - direct shareholder	Interest income on loan	**-**	70.370
		18.034	70.370

31.3 Purchases of services / finance charges

Name	Nature of transactions	2024 €	2023 €
Fliptype Holdings Limited - direct shareholder	Management fee charges	**-**	66.857
Atterbury Cyprus Limited - direct shareholder	Corporate service charges	**123.480**	120.000
Atterbury Europe Services B.V.	Management and commission fee charges	**1.126.832**	915.059
		1.250.312	1.101.916

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

During 2023 the Company paid €752.500 to Fliptype Holdings Limited to terminate the asset management agreement which was reimbursed by Atterbury Europe Services B.V.

31.4 Receivables from related parties (Note 20)

Name	2024 €	2023 €
The Mall of Engomi (ME) Plc	**61.594**	-
The Mall of Limassol (ML) Ltd	**4.322**	279
Atterbury Europe Services B.V.	**2.960**	-
	68.876	279

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

31.5 Loans to related party (Note 19)

Name	2024 €	2023 €
The Mall of Engomi (ME) Plc - fellow subsidiary	**976.692**	-
	976.692	-

During the year, the Company granted a loan towards its fellow subsidiary, The Mall of Engomi (ME) Plc, for the total amount of €958.658, bearing interest of 6,35% and has no fixed repayment terms. Interest income amounting to €18.034 was recognised in the profit or loss for the year.

31.6 Payables to related parties (Note 29)

Name	2024 €	2023 €
The Mall of Engomi (ME) Plc - fellow subsidiary	**-**	36.243
Atterbury Europe Services B.V. - group related party	**10.410**	42.158
	10.410	78.401

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

31. Main shareholders and related party transactions (continued)

31.7 Loan from parent company (Note 26)

Name	**2024** €	2023 €
Atterbury Cyprus Limited - parent entity	-	213.149
	-	213.149

During 2023, management approved the offsetting of the loan payable to Atterbury Cyprus Limited with the loan receivable from Atterbury Cyprus Limited.

The 2023 loan balance was unsecured, denominated in Euro, and bears interest of 3 month Euribor plus 4,20% and has no fixed repayment terms. Due to increases in the 3 month Euribor during the year, the applicable interest rate was adjusted every three months, reaching 8,43% by the year end 31 December 2023. The loan was fully settled in 2024. In addition a loan was provided in 2024 of €2.000.000 in lieu of dividends (Note 16) and was subsequently repaid.

32. Guarantees

The following guarantee was provided to the Company by its fellow subsidiary entity as security for its bank borrowings:

- The Mall of Engomi (ME) Plc guaranteed the loans of the Company with an outstanding amount of €101.317.391 at 31 December 2024.

- The Company provided a guarantee to The Mall of Engomi (ME) Plc (Note 26 and 33).

33. Contingent liabilities

The Company acts as a guarantor to the bank loan of fellow subsidiary The Mall of Engomi (ME) Plc with an outstanding balance of €20.270.383 at 31 December 2024. 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 and the loan is performing.

34. Commitments

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

License fee

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

Rental income on land assets

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

	2024	2023
	€	€
Within one year	**12.380.110**	12.134.128
Between one and five years	**33.171.084**	32.402.932
After five years	**36.995.345**	37.456.882
	82.546.539	81.993.942

A detailed maturity analysis of operating lease payments for years 2024 and 2023, is provided below:

	As at 31/12/2024	As at 31/12/2023
	€	€
Year 1	**12.380.110**	12.134.128
Year 2	**10.086.831**	10.195.228
Year 3	**8.685.427**	8.445.245
Year 4	**7.855.315**	7.273.496
Year 5	**6.543.511**	6.488.963
Year 6 onwards	**36.995.345**	37.456.882
Total	**82.546.539**	81.993.942

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 licensee mix in order to:

- achieve the longest weighted average lease term possible;

- minimise vacancy rates across all properties; and

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

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

34. Commitments (continued)

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.

35. Events after the reporting period

On 27 February 2025, the Company conclude the sale of Annex 3 for the amount of €4.600.000.

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

Independent auditor's report on pages 7 to 11