

**Central Business Centres PLC**  
**Company Registration No: C-65702**  
**Cortis Buildings,**  
**Mdina Road, Zebbug ZBG 4211,**  
**Malta**  
**(the ‘Company’)**

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**COMPANY ANNOUNCEMENT**

The following is a Company Announcement issued by the Company pursuant to the Rules of the Listing Authority (‘Listing Rules’)

**Quote**

The Company announces that the Half-Yearly Report for the period ended 30 June 2021 was approved by the Board of Directors. A copy of signed Report is appended herewith. The Report is also found on the Company’s website:

<http://www.centralbusinesscentres.com/Investors/CompanyNotificationsandPublications.aspx>

**Unquote**



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Desiree Cassar  
Company Secretary

16 July 2021

Company Registration No.: C 65702

**CENTRAL BUSINESS CENTRES p.l.c.**

**Condensed Interim Financial Statements  
for the period 1 January 2021 to 30 June 2021**

**CENTRAL BUSINESS CENTRES P.L.C.**  
**Condensed Interim Financial Statements - 30 June 2021**

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# **CENTRAL BUSINESS CENTRES P.L.C.**

## **Condensed Interim Financial Statements - 30 June 2021**

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### **INTERIM DIRECTORS' REPORT**

This interim report is published in terms of the Malta Financial Services Authority Listing Rules Chapter 5 and the Prevention of Financial Markets Abuse Act 2005. The underlying accounting policies are the same as those adopted by Central Business Centres p.l.c. (the "Company") in its published annual report for the year ended 31 December 2020. The interim financial information included in this report has been extracted from the Company's unaudited accounts for the six months ended 30 June 2021, as approved by the Board of Directors on 16 July 2021 and are prepared in accordance with IAS 34 *Interim Financial Reporting*.

#### **Principal activities**

The principal activity of the Company is to act as a finance, investment and property-holding company. Properties owned by the Company are leased to third parties.

#### **Review of the business**

During the period under review, the Company leased offices/area in Zebbug premises, Zebbug Business Centre, the Gudja Business Centre and the St. Julian's Business Centre to third parties. As at 30 June 2021, all of the Business Centres were fully occupied with 57% occupancy at the St. Julians Business Centre.

The profit for the period of €481,320 (2020: €277,866) is net of net finance costs of €310,887 (2020: €152,588) which have been expensed during the year, and which relate to the apportionment of interest on Bonds in issue to finance the Zebbug premises, and the Zebbug, Gudja, and St. Julian's Business Centres.

The Company's financial position at 30 June 2021 is set out on page 7. Management involvement in monitoring of restoration and development of the villa remains very close to ensure that costs are kept under scrutiny and for the property to align to the high-end specifications of Business Centres developed by the Company.

The Directors have assessed that the carrying value of the investment property as at 30 June 2021 is reasonable and not subject to indications of impairment. In the event that general economic conditions and property market conditions experience a downturn, this may have an adverse impact on the fair value of the Company's Investment Property. The directors have no intention of disposing of this property in the foreseeable future.

The main liability in the condensed interim statement of financial position relates to the €12 million Bond in issue.

#### **Results and dividends**

The financial results are set out in the condensed interim statement of comprehensive income on page 6. The directors do not propose the payment of dividends.

#### **Directors**

The directors of the Company who held office during the period were:

Mr. Joseph Cortis  
Mr. Alfred Sladden  
Mr. Joseph M Formosa  
Dr. Petramay Attard Cortis  
Ms. Adriana Cutajar (appointed on 16 April 2021)  
Mr. Raymond Cortis (resigned on 16 April 2021)

The Company's Articles of Association require directors to seek re-election on a yearly basis.

**CENTRAL BUSINESS CENTRES P.L.C.**  
**Condensed Interim Financial Statements - 30 June 2021**

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**INTERIM DIRECTORS' REPORT - continued**

**Going concern statement pursuant to Listing Rule 5.62**

After making enquires and have taken into consideration the future plans of the Company, the directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they adopted the going concern basis in the preparation of the financial statements.

**Principal risks and uncertainties faced by the Company**

*The Company is subject to market and economic conditions generally*

The Company is subject to general market and economic risks which include factors such as health of the local property market, inflation prices for the rental of commercial properties and other economic and social factors affecting demand for real estate generally. In the event that the internal economic conditions and property market conditions experience a downturn, this may have an adverse impact on the financial conditions of the Company and its ability to meet its obligations set out within the Bond Prospectus.

In view of the developments pertaining to the COVID-19 pandemic that began in March 2020, the directors have prepared budgets and projections to assess the impact that the pandemic may have on the profitability, liquidity and going concern of the Company. Based on the outcome of cash flow projections prepared by the Company which factor possible strain or rental steams and occupancy driven by the pandemic, the directors consider the going concern assumption in the preparation of the Company's financial statements as appropriate as at the date of authorisation for issue of the 2021 interim financial statements. They also believe that no material uncertainty that may cast significant doubt about the Company's ability to continue honouring liabilities as and when they fall due and to continue operating as a going concern for the next twelve months exists as at the date.

**Risks associated with the property market**

Risks associated with the property development and real estate industry generally include, but are not limited to, risks of cost over-runs and risks of delay in completion of the Villa in St. Julian's and the new Zebbug business premises. In the event that these risks were to materialise, they could have a significant impact on the financial position of the Company.

The property market is a very competitive market that can influence the lease of space.

The real estate market in Malta is very competitive in nature. An increase in supply and/or decrease in demand in the commercial property segment in which the Company operates and targets to lease, may cause the lease of such spaces to be leased at lower lease contributions or at a lower price than that originally anticipated by the Company. If these risks were to materialise, they could have a material adverse impact on the ability of the Company to repay the Bond and interest.

**Share capital structure**

The Company's authorised and issued share capital amounts to €250,000 divided into 250,000 Ordinary shares of €1.00 each. The share capital consists of one class of ordinary shares with equal voting rights attached. Transfers of shares are restricted within family members.

**CENTRAL BUSINESS CENTRES P.L.C.**  
**Condensed Interim Financial Statements - 30 June 2021**

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**INTERIM DIRECTORS' REPORT - continued**

**Holding in Excess of 5% of the Share Capital**

On the basis of the information available to the Company as at 30 June 2021, Petramay Attard Cortis, Joelle Cortis and Eman Cortis each hold 13,890 shares, whereas Claudia Borg, Alexia Camilleri Cortis, Adriana Camilleri, Tiziana Cortis, Crystielle Farrugia and Jeanelle Bonello Cortis each hold 20,833 shares. The cumulative share of these aforementioned shareholders is equivalent to 67% of the Company's issued share capital. The remaining 33% is also held by members of the Cortis family in individual portions of less than 5%.

Shareholders holding in aggregate more than 50% of the issued share capital, shall be entitled to appoint the directors. Other limitations of the voting rights of holders are contained in the Company's Articles of Association, Clause 55.

**Appointment and Replacement of Directors**

Board members are appointed for one year and are eligible for re-appointment at the Annual General Meeting.

**Board Members Powers**

The powers of the Board members are contained in Articles 54-69 of the Company's Articles of Association. The Articles of Association grant the Company the power to buy back its own shares in terms of the Maltese Companies Act (Cap. 386).

**Contracts with Board Members and Employees**

The Company has no contract with any of its Board members that include a severance payment clause. The Company had no employees during the period ended 30 June 2021.

No disclosures are being made pursuant to Listing Rules 5.64.4, 5.64.5, 5.64.6, 5.64.7 and 5.64.10 as these are not applicable to the Company.

This report was approved by the directors and duly signed by:

  
\_\_\_\_\_  
**Mr. Joseph Cortis**  
CEO and Chairman

  
\_\_\_\_\_  
**Mr. Alfred Sladden**  
Director

Registered office:  
Cortis Buildings  
Mdina Road  
Zebbug ZBG 4211  
Malta

16 July 2021

**CENTRAL BUSINESS CENTRES P.L.C.**  
**Condensed Interim Financial Statements - 30 June 2021**

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**DIRECTORS' STATEMENT PURSUANT TO LISTING RULE 5.75.3**

We hereby confirm that to the best of our knowledge:

- The condensed interim financial statements give a true and fair view of the financial position of the Company as at 30 June 2021 and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) applicable to interim financial reporting (IAS 34 *Interim Financial Reporting*); and
- The Interim directors' report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84, where applicable.

Signed on behalf of the Board of Directors on 16 July 2021:

  
\_\_\_\_\_  
**Mr. Joseph Cortis**  
Director

  
\_\_\_\_\_  
**Mr. Alfred Sladden**  
Director

**CENTRAL BUSINESS CENTRES P.L.C.**  
**Condensed Interim Financial Statements - 30 June 2021**

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

	<b>01.01.2021</b>	<b>01.01.2020</b>
	<b>to</b>	<b>to</b>
	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>€</b>	<b>€</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	<b>870,282</b>	512,379
Administrative expenses	<b>(78,075)</b>	(81,925)
<b>Operating profit</b>	<b>792,207</b>	430,454
Finance costs	<b>(310,887)</b>	(314,267)
Finance costs capitalised within investment property	-	161,679
Net finance costs expensed	<b>(310,887)</b>	(152,588)
<b>Profit for the period</b>	<b>481,320</b>	277,866
<b>Earnings per share</b>	<b>1.93</b>	1.11

**CENTRAL BUSINESS CENTRES P.L.C.**  
**Condensed Interim Financial Statements - 30 June 2021**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

	As at 30.06.2021	As at 31.12.2020
	€	€
	(unaudited)	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	186,128	179,354
Investment property	<u>34,409,959</u>	<u>34,000,000</u>
	<b>34,596,087</b>	<b>34,179,354</b>
<b>Current assets</b>		
Trade and other receivables	335,470	210,468
Cash and cash equivalents	<u>16,416</u>	<u>360,384</u>
	<b>351,886</b>	<b>570,852</b>
<b>TOTAL ASSETS</b>	<b><u>34,947,973</u></b>	<b><u>34,750,206</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital reserve</b>		
Share capital	250,000	250,000
Capital reserve	16,100,000	16,100,000
Revaluation reserve	4,954,440	4,954,440
Accumulated losses	<u>(607,211)</u>	<u>(1,088,531)</u>
<b>TOTAL EQUITY</b>	<b><u>20,697,229</u></b>	<b><u>20,215,909</u></b>
<b>Non-current liabilities</b>		
Borrowings	8,886,031	8,878,994
Deferred tax liabilities	<u>2,238,641</u>	<u>2,238,641</u>
	<b>11,124,672</b>	<b>11,117,635</b>
<b>Current liabilities</b>		
Borrowings	2,981,710	2,981,710
Trade and other payables	1,550	318,477
Current tax payable	<u>142,812</u>	<u>116,475</u>
	<b>3,126,072</b>	<b>3,416,662</b>
<b>TOTAL LIABILITIES</b>	<b><u>14,250,744</u></b>	<b><u>14,534,297</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>34,947,973</u></b>	<b><u>34,750,206</u></b>

The condensed interim financial statements on pages 6 to 13 have been authorised for issue by the Board of Directors on 16 July 2021 and were signed on its behalf by:

  
**Joseph Cortis**  
 CEO and Chairman

  
**Alfred Sladden**  
 Director

**CENTRAL BUSINESS CENTRES P.L.C.**  
**Condensed Interim Financial Statements - 30 June 2021**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

	Share capital €	Capital reserve €	Revaluation reserve €	Accumulated losses €	Total equity €
<b>Financial period ended 30 June 2020</b>					
Balance at 1 January 2020	250,000	16,100,000	596,162	(393,467)	16,552,695
Total comprehensive income for the period:					
<i>Profit for the financial period</i>	-	-	-	277,866	277,866
<b>Balance at 30 June 2020</b>	<b>250,000</b>	<b>16,100,000</b>	<b>596,162</b>	<b>(115,601)</b>	<b>16,830,561</b>
<b>Financial period ended 30 June 2021</b>					
Balance at 1 January 2021	250,000	16,100,000	4,954,440	(1,088,531)	20,215,909
Total comprehensive income for the period:					
<i>Profit for the financial period</i>	-	-	-	481,320	481,320
<b>Balance at 30 June 2021</b>	<b>250,000</b>	<b>16,100,000</b>	<b>4,954,440</b>	<b>(607,211)</b>	<b>20,697,229</b>

**CENTRAL BUSINESS CENTRES P.L.C.**  
**Condensed Interim Financial Statements - 30 June 2021**

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**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

	<b>01.01.2021</b>	<b>01.01.2020</b>
	<b>to</b>	<b>to</b>
	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>€</b>	<b>€</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Net cash flows generated from operating activities	<b>361,828</b>	<b>411,276</b>
Net cash flows used in investing activities	<b>(416,733)</b>	<b>(161,704)</b>
Net cash flows used in financing activities	<b>(289,063)</b>	<b>-</b>
<b>Net movement in cash and cash equivalents</b>	<b>(343,968)</b>	<b>249,572</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>360,384</b>	<b>131,653</b>
<b>Cash and cash equivalents at end of the period</b>	<b>16,416</b>	<b>381,225</b>

**CENTRAL BUSINESS CENTRES P.L.C.**  
**Condensed Interim Financial Statements - 30 June 2021**

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Central Business Centres p.l.c. (the "Company") is a public limited liability company domiciled and incorporated in Malta with its registered address at Cortis Group, Cortis Buildings, Mdina Road, Zebbug ZBG 4211, Malta.

The ownership of the Company's share capital and voting rights related to such holdings, are such that no particular individual or identifiable group of individuals could exercise ultimate control over the Company.

The principal activity of the Company is to act as a finance, investment and property-holding company. Properties owned by the Company is leased to third parties.

These condensed interim financial statements were approved for issue by the Board of Directors on 16 July 2021. These financial statements have not been audited nor reviewed by the Company's independent auditors.

The financial statements for the year ended 31 December 2020 are available upon request from the Company's registered office.

**2. BASIS OF PREPARATION**

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

*Assessment of going concern assumption*

The directors have a reasonable expectation, at the time of approving the condensed interim financial statements, that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in the preparation of the condensed interim financial statements.

In view of the developments pertaining to the COVID-19 pandemic, the directors have prepared budgets and projections to assess the impact that the pandemic may have on the profitability, liquidity and going concern of the Company.

These events have a significant impact on the economy and given that a number of tenants may be in difficult financial circumstances, results expected to be registered during the financial year ending 31 December 2021 may be impacted with material adverse implications on the profitability, cash flows and financial position of the Company. Based on the outcome of cash flow projections prepared by the Company under a pessimistic scenario, factoring significant strain on rental rates and occupancy, the directors and senior management consider the going concern assumption in the preparation of the Company's financial statements as appropriate as at the date of authorisation for issue of the 2021 interim financial statements. They also believe that no material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern exists as at that date.

**CENTRAL BUSINESS CENTRES P.L.C.**  
**Condensed Interim Financial Statements - 30 June 2021**

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - continued**

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those financial statements.

*Standards, interpretations and amendments to published standards effective in 2021*

During 2021, the Company adopted amendments to existing standards that are mandatory for the Company's accounting period beginning on 1 January 2021. The adoption of these revisions to the requirements of IFRS as adopted by the EU did not result in changes to the Company's accounting policies.

*Standards, interpretations and amendments to published standards that are not yet effective*

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these condensed interim financial statements, that are mandatory for the Company's accounting periods beginning after 1 January 2021. The Company has not early adopted these revisions to the requirements of IFRS as adopted by the EU and the Company's directors are of the opinion that there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

**4. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2020.

**5. SIGNIFICANT JUDGMENTS AND CRITICAL ESTIMATION UNCERTAINTIES**

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

In the opinion of the directors, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 *Presentation of Financial Statements*, except for the disclosures made under Note 2 - Basis of preparation, and the matter disclosed below:

*Valuation of investment property*

The Company reviews the valuation of the investment property on an annual basis. In 2020, management determined the fair value of the investment property by referring to the valuation reports prepared by third party qualified valuers. The Company adjusted the book value to its revalued amount and recognised the resultant surplus in the income statement. The directors have assessed that the valuation as at 31 December 2020 remains valid as at 30 June 2021.

**CENTRAL BUSINESS CENTRES P.L.C.**  
**Condensed Interim Financial Statements - 30 June 2021**

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - continued**

**6. SEGMENT INFORMATION**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, responsible for making strategic decisions. The Board of Directors consider the Company to be made up of one segment, that is, raising financial resources from capital markets to finance the capital projects of the Company. All the Company's revenue and expenses are generated in Malta and revenue is mainly earned from the leasing of immovable property.

**7. CAPITAL COMMITMENTS**

As at 30 June 2021, the Company entered into capital commitments amounting to €300,000 (31 December 2020: nil).

**8. EARNINGS PER SHARE**

Earnings per share is calculated by dividing the result attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	<b>30.06.2021</b>	30.06.2020
	€	€
Earnings per share	<u>1.93</u>	<u>1.11</u>

**9. RELATED PARTY TRANSACTIONS**

The companies forming part of the SMW Cortis Limited Group are considered by the directors to be related parties as these companies are ultimately owned by the Cortis Family.

The following transactions were carried out with related parties:

	<b>30.06.2021</b>	30.06.2020
	€	€
Improvements to investment property	-	(5,335)
Administration and management fees paid	<u>(26,592)</u>	<u>(41,685)</u>

The transactions with related parties are interest free and repayable on demand.

The CEO was paid in fees amounting to €15,000 (2020: €10,000) and other directors were paid fees amounting to €6,000 (2020: €4,500).

**CENTRAL BUSINESS CENTRES P.L.C.**  
**Condensed Interim Financial Statements - 30 June 2021**

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - continued**

**10. INTEREST BEARING BORROWINGS**

On 5 December 2014, the Company issued a Prospectus for the issue of a 6,000,000 Bond having a nominal value of €1 each. The Bond was issued in two tranches of €3,000,000 each. The first tranche was issued on 22 December 2014, and was fully subscribed, while the second tranche was issued on 24 December 2015, and was also fully subscribed. The Company's bonds are included on the official list of the Malta Stock Exchange. The first tranche was admitted to trading in 2014 and is redeemable at par on 30 December 2021. The second tranche was admitted to trading from 29 December 2015 and is redeemable at par on 30 December 2025.

Interest on the bonds issued as part of the first tranche is payable every six months in arrears, on 30 June and 30 December of each year. The first payment was made on 30 June 2015. The net proceeds have been used to acquire the Zebbug, St. Julian's and Gudja Central Business Centres to finance the demolition and excavation works of the St. Julian's Central Business Centre as well as to finish the works on the Gudja Central Business Centre.

Interest on bonds issued as part of the second tranche is payable annually in arrears, on 30 June and 30 December of each year. The first payment was made on 30 June 2016. The net proceeds were used for the development and construction of the St. Julian's Central Business Centre.

On 7 July 2017, the Company issued a Prospectus for the issue of a 10,000,000 bond having a nominal value of €1 each. The first tranche of the bond amounting to €6,000,000 was issued on 12 June 2017, and was fully subscribed. On 4 May 2018, it was resolved by the directors that the Company will no longer proceed with the issuance of the second tranche of the bond amounting to €4,000,000.

Interest on the 4.4% bond issued is payable annually in arrears on 7 July of each year, the first payment was made on 7 July 2018. The net proceeds were utilised to acquire the new Zebbug site. During 2021, the company already processed the transaction €264,000 on 24<sup>th</sup> June 2021 for the interest on bond issued.

The bonds constitute the general, direct, unconditional, unsecured, unsubordinated obligations of the Company, and rank equally without any priority or preference with all other present and future unsecured and unsubordinated obligations of the Company.

**11. CONTINGENT LIABILITIES**

No events occurred since 31 December 2020 that require disclosure of any contingent liabilities as at 30 June 2021.

**12. SUBSEQUENT EVENTS**

The COVID-19 pandemic is considered to be a significant continuing event both during and subsequent to the reporting period. Disclosures relating to this event are found in Note 2 to these condensed interim financial statements.