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**Premier Capital p.l.c.**

Interim Financial Report (Unaudited)

For the period 1 January 2021 to 30 June 2021

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The directors present their interim report, together with the unaudited interim condensed financial statements of the holding company and its subsidiaries (the “group”) (the “condensed interim financial statements”) for the period from 1 January to 30 June 2021.

## **Principal activities**

The group is engaged in the operations of McDonald's restaurants in Malta, Estonia, Greece, Latvia, Lithuania and Romania.

The holding company acts as an investment company and service provider to its subsidiary undertakings.

## **Business review**

### **Group**

The first months of 2021 still kicked off in an environment of uncertainty and volatility. Restrictions remained imposed to different extents and degrees in all the markets. Despite that, actual performance for the first half of 2021 was very encouraging and the results were very satisfactory. Premier Capital kept investing in increasing its restaurant footprint, its people and its technology. With 3 new openings in the first half of 2021, by the end of the reporting period, Premier Capital operated 162 restaurants, going up to 163 restaurants shortly after the balance sheet date.

During the period under review, the group registered an operating profit of *Eur18,945,486* (June 2020 – *Eur5,001,008*) on revenues of *Eur185,141,930* (June 2020 - *Eur143,127,194*). After accounting for the investment income and finance costs, the group registered a profit before tax of *Eur15,814,316* (June 2020 – *Eur1,915,558*).

In the first six months of 2021, the group registered an EBITDA of *Eur31,072,174* when compared to an EBITDA of *Eur18,424,143* for the period ended June 2020.

The group's net assets for the period under review amounted to *Eur59,168,773* compared to *Eur53,003,419* as at 31 December 2020.

### **Holding company**

During the period under review, the holding company registered an operating loss of *Eur2,242,680* (June 2020 – *Eur1,903,384*). After accounting for investment income and finance costs, the holding company registered a pre-tax loss of *Eur2,504,931* (June 2020 – *Eur2,363,404*).

The net assets of the holding company as at 30 June 2021 amounted to *Eur33,935,782* compared to *Eur43,899,557* as at 31 December 2020.

### **Future Outlook**

While the performance of the first 6 months of the year was very positive, Management is aware that the operating environment might still be prone to volatility. Management remains very vigilant on the situation, and is even better prepared to react to implement contingency plans in case of additional business disruption. However, a general betterment in consumer confidence and macro-economic conditions are visible and noticeable and Management is cautiously optimistic for the performance in the rest of 2021. Overall capital expenditure spend is planned to revert back to the 2019 levels and apart from extending the footprint of restaurants, all countries will, to different extents, keep investing to enhance efficiency and effectiveness of their offering.

### **Preparation of the Consolidated Interim Financial Statements**

The published figures have been extracted from the unaudited management financial statements for the half-year ended 30 June 2021 and its comparative period in 2020.

This report is being published in terms of the Listing Rule 5.75 issued by the Listing Authority, and has been prepared in accordance with the applicable listing Rules and International Accounting Standard 34 - *Interim Financial Reporting*. The financial statements published in this half-yearly report have been condensed in accordance with the requirements of IAS 34. In terms of the Listing Rule 5.75.5, the Directors are stating that these condensed interim financial statements have not been audited or reviewed by the holding company's independent auditors.

Approved by the Board of Directors on 26 August 2021 and signed on its behalf by:



**Mr Melo Hili**  
**Chairman**



**Mr Victor Tedesco**  
**Director**

	<b>Group</b>		<b>Holding Company</b>	
	<b>1 January to 30 June 2021</b>	1 January to 30 June 2020	<b>1 January to 30 June 2021</b>	1 January to 30 June 2020
	<b>Unaudited Eur</b>	Unaudited Eur	<b>Unaudited Eur</b>	Unaudited Eur
Revenue	<b>185,141,930</b>	143,127,194	<b>546,000</b>	546,000
Cost of sales	<b>(144,469,139)</b>	(119,217,439)	-	-
<b>Gross profit</b>	<b>40,672,791</b>	23,909,755	<b>546,000</b>	546,000
Other operating income	<b>366,757</b>	183,868	<b>9,566</b>	17,961
Selling expenses	<b>(11,331,732)</b>	(8,991,872)	-	-
Administrative expenses	<b>(10,762,330)</b>	(10,100,743)	<b>(2,798,246)</b>	(2,467,345)
<b>Operating profit /(loss)</b>	<b>18,945,486</b>	5,001,008	<b>(2,242,680)</b>	(1,903,384)
Investment income	<b>549,821</b>	261,233	<b>1,133,676</b>	961,873
Finance costs	<b>(3,680,991)</b>	(3,346,683)	<b>(1,395,927)</b>	(1,421,893)
<b>Profit/(loss) before tax</b>	<b>15,814,316</b>	1,915,558	<b>(2,504,931)</b>	(2,363,404)
Income tax (expense)/credit	<b>(1,659,263)</b>	(234,507)	<b>34,164</b>	435,232
<b>Profit/(loss) for the period</b>	<b>14,155,053</b>	1,681,051	<b>(2,470,767)</b>	(1,928,172)
<b>Other comprehensive income/(expense):</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
(Decrease)/Increase in fair value of financial assets at fair value through other comprehensive income	<b>2,792</b>	(8,147)	<b>2,792</b>	(8,147)
<b>Items that may be reclassified subsequently to profit or loss:</b>				
(Decrease)/Increase in fair value of financial assets at fair value through other comprehensive income	<b>4,200</b>	(3,850)	<b>4,200</b>	(3,850)
Exchange differences on translation of foreign operations	<b>(496,691)</b>	(585,545)	-	-
	<b>(492,491)</b>	(589,395)	<b>4,200</b>	(3,850)
<b>Total other comprehensive (expense) income</b>	<b>(489,699)</b>	(597,542)	<b>6,992</b>	(11,997)
<b>Total comprehensive income/(expense) for the period</b>	<b>13,665,354</b>	1,083,509	<b>(2,463,775)</b>	(1,940,169)
<i>Profit attributable to:</i>				
Owners of the holding company	<b>14,155,053</b>	1,469,142		
Non-controlling interests	-	211,909		
	<b>14,155,053</b>	1,681,051		
<i>Total comprehensive income attributable to:</i>				
Owners of the holding company	<b>13,665,354</b>	871,190		
Non-controlling interests	-	212,319		
	<b>13,665,354</b>	1,083,509		

		Group		Holding Company	
		31 December		31 December	
	30 June 2021	2020	30 June 2021	2020	
Notes	Unaudited	Audited	Unaudited	Audited	
	Eur	Eur	Eur	Eur	
<b>ASSETS AND LIABILITIES</b>					
<b>Non-current assets</b>					
Goodwill	5	24,967,912	25,066,474	-	-
Intangible assets	7	7,266,833	7,748,417	3,964,121	4,269,059
Property, plant and equipment	8	92,682,801	93,883,322	21,164	20,023
Right of use assets	9	88,712,126	87,886,979	320,204	324,565
Financial assets at fair value through other comprehensive income	17	1,061,892	1,054,901	1,061,892	1,054,901
Investment in subsidiaries		-	-	56,375,780	56,375,780
Loans and receivables	17	14,500,000	11,000,000	37,458,552	36,688,243
Deferred tax assets		1,539,760	1,286,214	-	-
Prepayments		1,833,314	1,841,969	513,250	513,250
		<b>232,564,638</b>	<b>229,768,276</b>	<b>99,714,963</b>	<b>99,245,821</b>
<b>Current assets</b>					
Inventories		6,288,289	6,063,520	-	-
Loans and receivables	17	3,222,802	6,823,006	4,255,357	11,397,873
Trade and other receivables	10	7,376,306	6,349,438	2,793,032	2,956,350
Current tax asset		1,600,337	1,013,102	877,602	942,120
Cash and cash equivalents		38,666,422	28,741,915	721,632	1,600,399
		<b>57,154,156</b>	<b>48,990,981</b>	<b>8,647,623</b>	<b>16,896,742</b>
<b>Total assets</b>		<b>289,718,794</b>	<b>278,759,257</b>	<b>108,362,586</b>	<b>116,142,563</b>
<b>Current liabilities</b>					
Trade and other payables	11	39,072,254	34,124,181	2,493,970	1,339,525
Lease liabilities	13	8,079,818	8,245,917	36,625	31,315
Other financial liabilities	17	45,142	32,737	4,872,273	4,778,527
Borrowings	12	7,404,858	8,801,357	-	-
Current tax liabilities		2,367,032	351,304	-	-
		<b>56,969,104</b>	<b>51,555,496</b>	<b>7,402,868</b>	<b>6,149,367</b>
<b>Non-current liabilities</b>					
Borrowings	12	20,356,857	23,816,716	-	-
Lease liabilities	13	85,926,923	83,939,809	298,141	305,350
Debt securities in issue	14	64,492,685	64,445,856	64,492,685	64,445,856
Other financial liabilities	17	1,210,236	349,358	1,000,000	-
Provisions		361,106	306,170	-	-
Deferred tax liabilities		1,233,110	1,342,433	1,233,110	1,342,433
		<b>173,580,917</b>	<b>174,200,342</b>	<b>67,023,936</b>	<b>66,093,639</b>
<b>Total liabilities</b>		<b>230,550,021</b>	<b>225,755,838</b>	<b>74,426,804</b>	<b>72,243,006</b>
<b>Net assets</b>		<b>59,168,773</b>	<b>53,003,419</b>	<b>33,935,782</b>	<b>43,899,557</b>

# Premier Capital p.l.c.

## Condensed Statements of Financial Position (Continued) at 30 June 2021



		Group		Holding Company	
		31 December		31 December	
	30 June 2021	2020	2020	30 June 2021	2020
Notes	Unaudited	Audited	Unaudited	Audited	Audited
	Eur	Eur	Eur	Eur	Eur
<b>EQUITY</b>					
Share capital	<b>33,674,700</b>	33,674,700	<b>33,674,700</b>	33,674,700	
Exchange translation reserve	<b>(3,805,358)</b>	(3,308,667)	-	-	
Fair value reserve	<b>(87,776)</b>	(94,768)	<b>(87,776)</b>	(94,768)	
Other reserves	<b>(174,614)</b>	(174,614)	<b>212,351</b>	212,351	
Retained earnings	<b>29,561,821</b>	22,906,768	<b>136,507</b>	10,107,274	
<b>Total equity</b>	<b>59,168,773</b>	53,003,419	<b>33,935,782</b>	43,899,557	

# Premier Capital p.l.c.

## Condensed Statements of Changes in Equity for the period ended 30 June 2021



### Group

	Share capital Eur	Exchange translation reserve Eur	Fair value reserve Eur	Other reserves Eur	Retained earnings Eur	Attributable to owners of the holding company Eur	Non- controlling interests Eur	Total Eur
Balance at 1 January 2020	33,674,700	(2,130,285)	(69,425)	8,780,884	12,131,089	52,386,963	4,694,883	<b>57,081,846</b>
Profit for the period	-	-	-	-	1,469,142	1,469,142	211,909	<b>1,681,051</b>
Other comprehensive expense	-	(585,545)	(11,997)	-	(410)	(597,952)	410	<b>(597,542)</b>
Total comprehensive income for the period	-	(585,545)	(11,997)	-	1,468,732	871,190	212,319	<b>1,083,509</b>
Acquisition of non-controlling interest	-	(315,900)	-	(8,955,498)	2,689,600	(6,581,798)	(4,907,202)	<b>(11,489,000)</b>
Balance at 30 June 2020	33,674,700	(3,031,730)	(81,422)	(174,614)	16,289,421	46,676,355	-	<b>46,676,355</b>
Balance at 1 January 2021	33,674,700	(3,308,667)	(94,768)	(174,614)	22,906,768	53,003,419	-	<b>53,003,419</b>
Dividends (Note 6)	-	-	-	-	(7,500,000)	(7,500,000)	-	<b>(7,500,000)</b>
Profit for the period	-	-	-	-	14,155,053	14,155,053	-	<b>14,155,053</b>
Other comprehensive expense	-	(496,691)	6,992	-	-	(489,699)	-	<b>(489,699)</b>
Total comprehensive income for the period	-	(496,691)	6,992	-	14,155,053	13,665,354	-	<b>13,665,354</b>
<b>Balance at 30 June 2021</b>	<b>33,674,700</b>	<b>(3,805,358)</b>	<b>(87,776)</b>	<b>(174,614)</b>	<b>29,561,821</b>	<b>59,168,773</b>	-	<b>59,168,773</b>



## Holding Company

	Share capital Eur	Fair value reserve Eur	Other reserves Eur	Retained earnings Eur	Total Eur
Balance at 1 January 2020	33,674,700	(69,425)	212,351	4,562,180	<b>38,379,806</b>
Loss for the period	-	-	-	(1,928,172)	<b>(1,928,172)</b>
Other comprehensive expense	-	(11,997)	-	-	<b>(11,997)</b>
Total comprehensive expense for the period	-	(11,997)	-	(1,928,172)	<b>(1,940,169)</b>
Balance at 30 June 2020	33,674,700	(81,422)	212,351	2,634,008	<b>36,439,637</b>
Balance at 1 January 2021	33,674,700	(94,768)	212,351	10,107,274	<b>43,899,557</b>
Dividends (Note 6)	-	-	-	(7,500,000)	<b>(7,500,000)</b>
Loss for the period	-	-	-	(2,470,767)	<b>(2,470,767)</b>
Other comprehensive income	-	6,992	-	-	<b>6,992</b>
Total comprehensive expense for the period	-	6,992	-	(2,470,767)	<b>(2,463,775)</b>
<b>Balance at 30 June 2021</b>	<b>33,674,700</b>	<b>(87,776)</b>	<b>212,351</b>	<b>136,507</b>	<b>33,935,782</b>

	Group		Holding Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Unaudited	Unaudited	Unaudited	Unaudited
	Eur	Eur	Eur	Eur
<b>Cash flows from operating activities</b>				
Cash flows from operations	34,946,104	15,995,047	(594,313)	(6,189,935)
Interest paid	(1,766,178)	(1,764,868)	(1,244,014)	(2,585,053)
Income tax paid	(593,639)	(1,345,701)	(10,641)	(15,329)
<b>Net cash flows from/(used in) operating activities</b>	<b>32,586,287</b>	<b>12,884,478</b>	<b>(1,848,968)</b>	<b>(8,790,317)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(6,087,443)	(4,133,465)	(8,434)	(5,585)
Proceeds from sale of property, plant and equipment	42,600	101,677	2,830	-
Purchase of intangible assets	(232,519)	(176,444)	-	-
Purchase of financial assets at fair value through other comprehensive income	-	(260,100)	-	(260,100)
Payment of loans, receivables and payables from subsidiaries and related parties	181,219	(3,127,236)	(2,469,703)	(7,724,258)
Advances of loans, receivables and payables from subsidiaries and related parties	-	(7,000,000)	8,841,910	17,974,822
Interest received	331,393	182,887	1,128,343	1,201,818
<b>Net cash flows (used in) / from investing activities</b>	<b>(5,764,750)</b>	<b>(14,412,681)</b>	<b>7,494,946</b>	<b>11,186,697</b>
<b>Cash flows from financing activities</b>				
Repayment of bank borrowings	(4,745,271)	(2,689,839)	-	-
Drawdowns from bank facilities	-	1,500,000	-	-
Repayment from lease liabilities	(4,318,847)	(3,849,612)	(18,742)	(11,256)
Interest from lease liabilities	(1,860,553)	(1,534,986)	(6,665)	(5,923)
Movement in other financial liabilities	1,000,000	-	995,327	-
Dividends paid to ultimate parent	(7,500,000)	-	(7,500,000)	-
Dividends received from related parties	5,335	4,803	5,335	4,803
<b>Net cash flows used in financing activities</b>	<b>(17,419,336)</b>	<b>(6,569,634)</b>	<b>(6,524,745)</b>	<b>(12,376)</b>
<b>Net movement in cash and cash equivalents</b>	<b>9,402,201</b>	<b>(8,097,837)</b>	<b>(878,767)</b>	<b>2,384,004</b>
Cash and cash equivalents at the beginning of the year	28,741,915	32,497,681	1,600,399	1,161,226
Impact of foreign exchange differences	522,306	436,896	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>38,666,422</b>	<b>24,836,740</b>	<b>721,632</b>	<b>3,545,230</b>

### 1. Basis of preparation

The condensed consolidated interim financial statements for the half year reporting period ended 30 June 2021 have been prepared in accordance with International Accounting Standard 34 - *Interim Financial Reporting*.

Premier Capital p.l.c. is the group's ultimate parent company and is a public limited company incorporated in Malta with registration number C36522. The registered address of the holding company is Nineteen Twenty Three, Valletta Road, Marsa. As disclosed in note 14, it has bonds issued on the Malta Stock Exchange.

### 2. Significant accounting policies

The condensed consolidated interim financial statements have been prepared under the historic cost convention, except for financial instruments at fair value through profit or loss and financial instruments at fair value through other comprehensive income which are stated at their fair values. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's and holding company's annual financial statements for the year ended 31 December 2020, and corresponding interim period.

#### (i) Other pronouncements

There are no accounting pronouncements which have become effective from 1 January 2021 that have a significant impact on the group and holding company's interim condensed financial statements.

### 3. Judgements and estimates

When preparing the condensed consolidated interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the condensed consolidated interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the group's and holding company's annual financial statements for the year ended 31 December 2020. The only exceptions are the estimate of income tax liabilities which is determined in the condensed consolidated interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

#### 4. Segmental reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Revenue reported below represents revenue generated from external customers. There were no intersegment sales in the year. The group's reportable segments under IFRS 8 are direct sales attributable to each country where it operates as a Mc Donald's development licensee. Throughout the period, the group operated in six principal geographical areas – Malta (country of domicile), Estonia, Greece, Latvia, Lithuania and Romania.

##### *Measurement of operating segment profit or loss, assets and liabilities*

Segment profit represents the profit earned by each segment after allocation of central administration costs and finance costs based on services and finance provided. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the reportable segments are the same as the group's accounting policies. Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to consolidated totals are reported below:

##### **Profit/(loss) before tax**

	<b>1 January to 30 June 2021</b>	1 January to 30 June 2020
	<b>Unaudited</b>	Unaudited
	<b>Eur</b>	Eur
Total profit for reportable segment	<b>19,000,809</b>	5,198,248
<i>Unallocated amounts:</i>		
Revenue	<b>546,000</b>	546,000
Administrative expenses	<b>(2,999,040)</b>	(2,710,879)
Investment income	<b>1,133,885</b>	975,299
Finance costs	<b>(1,876,904)</b>	(2,111,071)
Other operating income	<b>9,566</b>	17,961
	<b>15,814,316</b>	1,915,558

## 4. Segmental reporting (continued)

## Assets

	30 June 2021	31 December 2020
	Unaudited Eur	Audited Eur
Total assets for reportable segments	240,134,550	232,303,501
Elimination of inter-segment receivables	(27,717,025)	(33,895,104)
<i>Unallocated amounts:</i>		
Goodwill	24,967,912	25,066,474
Intangible assets	3,964,121	4,269,059
Financial assets through other comprehensive income	1,061,892	1,054,901
Current tax assets	877,602	942,120
Loans and receivables	41,713,909	48,086,116
Trade and other receivables	2,793,032	2,956,350
Cash and cash equivalents	721,632	1,600,399
Other unallocated amounts	1,201,169	(3,624,559)
	<b>289,718,794</b>	<b>278,759,257</b>

## Liabilities

	30 June 2021	31 December 2020
	Unaudited Eur	Audited Eur
Total liabilities for reportable segments	132,509,565	125,776,997
Elimination of inter-segment payables	62,246	184,365
<i>Unallocated amounts:</i>		
Trade and other payables	2,493,970	1,339,525
Other financial liabilities	45,142	32,737
Bank borrowings	27,761,715	32,218,073
Debt securities in issue	64,492,685	64,445,856
Deferred tax liabilities	1,233,110	1,342,433
Other unallocated amounts	1,951,588	415,852
	<b>230,550,021</b>	<b>225,755,838</b>

# Premier Capital p.l.c.

## Notes to the Condensed Interim Financial Statements (Continued) for the period ended 30 June 2021



### 4. Segmental reporting (continued)

The group's revenue and results from continuing operations from external customers and information about its net assets by reportable segment are detailed below:

	Estonia	Greece	Latvia	Lithuania	Malta	Romania	Total	Unallocated	Eliminations and adjustments	Consolidated
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
	Eur	Eur	Eur	Eur	Eur	Eur	Eur	Eur	Eur	Eur
Revenue	12,370,011	20,849,699	13,264,053	17,564,708	11,486,814	109,606,645	185,141,930	-	-	185,141,930
Profit/(loss) before tax	1,428,559	861,558	1,105,535	1,171,474	477,964	13,955,719	19,000,809	(3,186,493)	-	15,814,316
Depreciation and amortisation	510,728	2,359,264	1,137,339	1,282,006	1,216,175	5,286,334	11,791,846	330,604	4,238	12,126,688
Segment assets	11,629,405	33,761,005	35,122,744	28,580,237	20,741,404	110,299,755	240,134,550	77,301,269	(27,717,025)	289,718,794
Right of use assets	2,548,443	16,795,045	13,429,399	15,640,396	10,890,846	29,087,793	88,391,922	320,204	-	88,712,126
Property, plant and equipment	3,209,854	15,315,071	5,771,583	9,183,141	3,348,950	56,008,038	92,836,637	21,164	(175,000)	92,682,801
Intangible assets	49,593	424,315	361,896	449,506	316,106	1,646,184	3,247,600	3,964,121	55,112	7,266,833
Capital expenditure	194,942	2,853,933	359,470	432,084	782,443	1,688,656	6,311,528	8,434	-	6,319,962
Segment liabilities	5,137,060	25,182,408	19,032,229	20,072,397	15,869,093	47,216,378	132,509,565	97,978,210	62,246	230,550,021
Lease liabilities	2,667,293	17,870,437	14,061,040	16,324,631	11,268,913	31,479,656	93,671,970	334,771	-	94,006,741
Income tax credit/(expense)	-	(304,433)	(7,801)	(210,887)	(200,744)	(402,903)	(1,126,768)	34,164	(566,659)	(1,659,263)

# Premier Capital p.l.c.

## Notes to the Condensed Interim Financial Statements (Continued) for the period ended 30 June 2021



### 4. Segmental reporting (continued)

	Estonia	Greece	Latvia	Lithuania	Malta	Romania	Total	Unallocated	Eliminations and adjustments	Consolidated
	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
	Eur	Eur	Eur	Eur	Eur	Eur	Eur	Eur	Eur	Eur
Revenue	11,250,811	16,441,487	12,205,875	13,709,027	10,198,858	79,321,136	143,127,194	-	-	143,127,194
Profit before tax	769,495	(765,803)	824,028	(44,817)	212,966	4,202,379	5,198,248	(3,282,690)	-	1,915,558
Depreciation and amortisation	602,646	2,265,591	1,208,174	1,459,980	1,292,921	6,311,739	13,141,051	330,520	-	13,471,571
Segment assets	10,453,405	33,079,180	32,934,387	26,292,784	19,653,445	109,890,300	232,303,501	80,350,860	(33,895,104)	278,759,257
Right of use assets	2,716,447	17,944,010	11,523,378	14,186,924	11,505,130	29,686,525	87,562,414	324,565	-	87,886,979
Property, plant and equipment	3,387,754	13,637,704	6,072,875	9,562,399	3,132,372	58,245,195	94,038,299	20,023	(175,000)	93,883,322
Intangible assets	33,787	442,247	323,751	423,685	325,101	1,871,437	3,420,008	4,269,059	59,350	7,748,417
Capital expenditure	273,172	3,781,580	338,847	2,715,186	470,718	6,523,210	14,102,713	5,584	-	14,108,297
Segment liabilities	5,389,618	24,907,704	17,211,465	18,745,533	15,097,867	44,424,810	125,776,997	99,794,476	184,365	225,755,838
Lease liabilities	2,816,980	18,860,852	12,031,074	14,730,589	11,774,632	31,634,934	91,849,061	336,665	-	92,185,726
Income tax credit/(expense)	-	63,249	-	(17,737)	(89,444)	(290,621)	(334,553)	435,232	(335,186)	(234,507)

## 5. Goodwill

### Group

	Eur
<b>Cost and Carrying amount</b>	
At 01.01.2020	25,226,236
Difference on exchange on foreign operations	(159,762)
At 31.12.2020	<u>25,066,474</u>
Difference on exchange on foreign operations	(98,562)
<b>At 30.06.2021</b>	<b><u><u>24,967,912</u></u></b>

The group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. Determining whether the carrying amounts of these assets can be realised requires an estimation of the value in use of the cash-generating units. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Goodwill arising on a business combination is allocated, to the cash-generating units (“CGUs”) that are expected to benefit from that business combination. The carrying amount as at 30 June 2021 amounting to *Eur24,967,912* (December 2020 – *Eur25,066,474*) is allocated to the Malta and Romania operations.

The directors’ assessment of goodwill is detailed in the group’s and holding company’s annual financial statements for the year ended 31 December 2020.

## 6. Dividends

### Group and Holding Company

In the current half year, a net interim dividend of *Eur7,500,000* (*Eur22.27c* per ordinary share) (December 2020 - *Eur9,360,000* (*Eur27.80c* per ordinary share) was declared to the ordinary shareholders of the holding company.



## 7. Intangible assets

## Group

	Support services licence Eur	Computer software Eur	Acquired rights and franchise fee Eur	Other intangibles Eur	Total Eur
<b>Cost</b>					
At 01.01.2020	12,366,964	2,484,496	4,387,528	7,453	19,246,441
Additions	-	408,857	131,235	19,500	559,592
Disposals	-	(56,714)	(147,907)	-	(204,621)
Exchange differences	-	(29,157)	(46,056)	(232)	(75,445)
At 31.12.2020	12,366,964	2,807,482	4,324,800	26,721	19,525,967
Additions	-	118,730	58,615	55,174	232,519
Disposals	-	(2,030)	-	-	(2,030)
Exchange differences	-	(18,504)	(28,413)	(143)	(47,060)
At 30.06.2021	12,366,964	2,905,678	4,355,002	81,752	19,709,396
<b>Amortisation</b>					
At 01.01.2020	7,420,203	1,350,712	1,915,828	876	10,687,619
Provision for the year	618,351	412,281	300,056	4	1,330,692
Released on disposal	-	(56,714)	(147,906)	-	(204,620)
Exchange differences	-	(16,310)	(19,721)	(110)	(36,141)
At 31.12.2020	8,038,554	1,689,969	2,048,257	770	11,777,550
Provision for the year	309,176	233,535	150,722	2	693,435
Released on disposal	-	(2,030)	-	-	(2,030)
Exchange differences	-	(11,926)	(14,398)	(68)	(26,392)
At 30.06.2021	8,347,730	1,909,548	2,184,581	704	12,442,563
<b>Carrying amount</b>					
At 31.12.2020	4,328,410	1,117,513	2,276,543	25,951	7,748,417
At 30.06.2021	4,019,234	996,130	2,170,421	81,048	7,266,833

## 7. Intangible assets (continued)

## Holding Company

	Support services licence Eur	Computer Software Eur	Total Eur
<b>Cost</b>			
At 01.01.2020 / 31.12.2020 / 30.06.2021	12,197,438	190,939	12,388,377
<b>Amortisation</b>			
At 01.01.2020	7,318,503	190,939	7,509,442
Provision for the year	609,876	-	609,876
At 31.12.2020	7,928,379	190,939	8,119,318
Provision for the year	304,938	-	304,938
At 30.06.2021	8,233,317	190,939	8,424,256
<b>Carrying amount</b>			
At 31.12.2020	4,269,059	-	4,269,059
<b>At 30.06.2021</b>	<b>3,964,121</b>	<b>-</b>	<b>3,964,121</b>

**8. Property, plant and equipment****Group**

	Land and buildings Eur	Improvements to premises Eur	Motor vehicles Eur	Plant and equipment Eur	Other equipment Eur	Total Eur
<b>Cost</b>						
At 01.01.2020	61,527,309	26,344,653	1,185,861	60,333,117	13,383,582	162,774,522
Additions	490,838	5,228,451	165,698	6,339,198	1,324,520	13,548,705
Disposals	(53,688)	(1,272,693)	(269,572)	(1,488,337)	(498,528)	(3,582,818)
Transfers	4,595	(9,482)	6,689	82,528	(84,330)	-
Exchange differences	(685,445)	(128,267)	(25,239)	(782,909)	(9,969)	(1,631,829)
At 31.12.2020	61,283,609	30,162,662	1,063,437	64,483,597	14,115,275	171,108,580
Additions	81,994	2,255,448	1,975	2,925,689	822,337	6,087,443
Disposals	(3)	(161,199)	(80,593)	(1,821,562)	(116,422)	(2,179,779)
Transfers	-	(641,716)	-	238,585	403,131	-
Exchange differences	(426,343)	(93,557)	(14,497)	(503,958)	(7,957)	(1,046,312)
At 30.06.2021	60,939,257	31,521,638	970,322	65,322,351	15,216,364	173,969,932
<b>Accumulated depreciation</b>						
At 01.01.2020	17,759,240	10,631,985	414,518	27,382,948	10,494,423	66,683,114
Provision for the year	3,324,975	1,978,542	247,156	6,063,597	2,712,463	14,326,733
Released on disposal	(5,126)	(1,229,913)	(186,542)	(1,369,028)	(473,958)	(3,264,567)
Exchange differences	(48,156)	(4,870)	(11,896)	(448,302)	(6,798)	(520,022)
At 31.12.2020	21,030,933	11,375,744	463,236	31,629,215	12,726,130	77,225,258
Provision for the year	1,213,732	1,086,802	109,365	2,992,890	1,059,655	6,462,444
Released on disposal	-	(152,345)	(68,997)	(1,581,301)	(107,299)	(1,909,942)
Impairment	-	-	-	(113,334)	-	(113,334)
Transfers	-	-	-	(10,570)	10,570	-
Exchange differences	(56,215)	(10,854)	(8,052)	(297,857)	(4,317)	(377,295)
At 30.06.2021	22,188,450	12,299,347	495,552	32,619,043	13,684,739	81,287,131
<b>Carrying amount</b>						
At 31.12.2020	40,252,676	18,786,918	600,201	32,854,382	1,389,145	93,883,322
At 30.06.2021	38,750,807	19,222,291	474,770	32,703,308	1,531,625	92,682,801

**8. Property, plant and equipment (continued)****Holding Company**

	<b>Furniture, fixtures and other equipment Eur</b>
<b>Cost</b>	
At 01.01.2020	185,364
Additions	5,584
Disposals	(4,411)
At 31.12.2020	<u>186,537</u>
Additions	8,434
Disposals	(3,634)
At 30.06.2021	<u>191,337</u>
<b>Accumulated depreciation</b>	
At 01.01.2020	160,176
Provision for the year	10,439
Released on disposal	(4,101)
At 31.12.2020	<u>166,514</u>
Provision for the year	4,463
Released on disposal	(804)
At 30.06.2021	<u>170,173</u>
<b>Carrying amount</b>	
At 31.12.2020	<u>20,023</u>
At 30.06.2021	<u><u>21,164</u></u>

**9. Right of use assets****Group**

	Buildings Eur	Motor vehicles Eur	Total Eur
<b>Cost</b>			
At 01.01.2020	96,685,694	536,260	97,221,954
Additions	9,547,983	160,850	9,708,833
Disposals	(306,553)	(18,488)	(325,041)
Remeasurement	341,421	-	341,421
Exchange differences	(649,524)	-	(649,524)
At 31.12.2020	105,619,021	678,622	106,297,643
Additions	6,046,332	83,936	6,130,268
Remeasurement	9,594	-	9,594
Exchange differences	(434,887)	-	(434,887)
At 30.06.2021	111,240,060	762,558	112,002,618
<b>Accumulated depreciation</b>			
At 01.01.2020	8,745,113	175,442	8,920,555
Provision for the year	9,716,656	183,797	9,900,453
Released on disposal	(306,553)	(18,488)	(325,041)
Exchange differences	(85,303)	-	(85,303)
At 31.12.2020	18,069,913	340,751	18,410,664
Provision for the year	4,877,182	93,627	4,970,809
Exchange differences	(90,981)	-	(90,981)
At 30.06.2021	22,856,114	434,378	23,290,492
<b>Carrying amount</b>			
At 31.12.2020	87,549,108	337,871	87,886,979
<b>At 30.06.2021</b>	<b>88,383,946</b>	<b>328,180</b>	<b>88,712,126</b>

**9. Right of use assets (continued)****Holding Company**

	Buildings Eur	Motor vehicles Eur	Total Eur
<b>Cost</b>			
At 01.01.2020 / 31.12.2020	393,021	11,709	404,730
Additions	-	7,072	7,072
Remeasurement	9,771	-	9,771
At 30.06.2021	<u>402,792</u>	<u>18,781</u>	<u>421,573</u>
<b>Accumulated depreciation</b>			
At 01.01.2020	34,680	5,400	40,080
Provision for the year	34,680	5,405	40,085
At 31.12.2020	<u>69,360</u>	<u>10,805</u>	<u>80,165</u>
Provision for the year	17,944	3,260	21,204
At 30.06.2021	<u>87,304</u>	<u>14,065</u>	<u>101,369</u>
<b>Carrying amount</b>			
At 31.12.2020	<u>323,661</u>	<u>904</u>	<u>324,565</u>
At 30.06.2021	<u><b>315,488</b></u>	<u><b>4,716</b></u>	<u><b>320,204</b></u>

**10. Trade and other receivables**

The balance of trade and other receivables is made up as follows:

	Group		Holding Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	Unaudited Eur	Audited Eur	Unaudited Eur	Audited Eur
Trade receivables	894,072	572,231	-	-
Other receivables	3,541,695	3,612,064	383,373	900,598
Amounts due from related parties	66,229	58,750	3,803	-
Amounts due from subsidiaries	-	-	2,243,075	1,859,142
Prepayments and accrued income	2,874,310	2,106,393	162,781	196,610
	<u>7,376,306</u>	<u>6,349,438</u>	<u>2,793,032</u>	<u>2,956,350</u>

**11. Trade and other payables**

The balance of trade and other payables is made up as follows:

	Group		Holding Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	Unaudited	Audited	Unaudited	Audited
	Eur	Eur	Eur	Eur
Trade payables	11,882,317	14,873,932	125,890	132,077
Other payables	6,820,146	3,513,567	48,142	55,082
Social security liabilities	3,524,791	3,720,300	27,266	38,817
VAT and other liabilities	3,442,541	4,369,288	-	-
Accruals and deferred income	13,402,459	7,647,094	2,292,672	1,113,549
	<b>39,072,254</b>	<b>34,124,181</b>	<b>2,493,970</b>	<b>1,339,525</b>

**12. Borrowings****Group**

During 2017, a bank facility was granted by BRD – SG to Premier Restaurants Romania Srl. The loan is denominated in local currency RON, for an amount equivalent to *Eur3,472,579* as at 30 June 2021 (December 2020 – *Eur5,755,084*). The facility has a term of five years and bears an interest rate of 3-month ROBOR +2.75%. The loan is secured by a pledge over the entity's immovable and movable property. During 2020, an additional drawdown from the same facility was made; the balance on this facility as at 30 June 2021 amounted to *Eur13,954,574* (December 2020 - *Eur15,248,285*). The facility has a term of seven years and bears an interest rate of 3-month ROBOR +1.4% per annum. The loan is secured by a pledge over the entity's immovable and movable property.

In December 2018, Premier Restaurants Latvia SIA secured a new loan facility with Luminor Bank AS amounting to *Eur10,000,000*. The loan has a term of five years and bears an interest rate of 1-month Euribor +2.5%. The loan is secured by a pledge agreement between the bank and the Baltic subsidiaries together with pledges over the entities' immovable and movable property. As at 30 June 2021, the balance on the loan amounted to *Eur7,134,562* (December 2020 – *Eur7,864,704*).

During 2020, Premier Capital Hellas S.A. availed itself from the *Covid-19 Lending Initiatives* put into place by the Greek State. It has been granted two bond loan facilities with Eurobank S.A. and the Hellenic Development Bank S.A. for the financing of working capital requirements. As at the end of the reporting period, the balance of these loan facilities amounted to *Eur2,000,000* (December 2020 – *Eur2,000,000*). Both facilities have a term of five years and bear interest at 6-month Euribor +2.2%. Eighty percent of the nominal value of both facilities are guaranteed by the Greek State.

**12. Borrowings (continued)****Group**

Another facility was granted to Premier Capital Hellas S.A. by Eurobank S.A. with a balance of *Eur1,200,000* as at 30 June 2021 (December 2020 – *Eur1,350,000*). The facility has a term of five years and bears interest at 3-month Euribor + 3.85%. During 2020, an overdraft facility with a limit of *Eur400,000* was also granted by Eurobank S.A. and bore interest at 8.55% over the bank's base rate. The overdraft facility has been settled in full during the first quarter of 2021. Both facilities are secured by a letter of comfort issued by the parent company.

Premier Restaurants Malta Limited has an unutilised overdraft facility with a limit of *Eur1,000,000* (December 2020 – *Eur1,000,000*) and bearing interest at 250 basis point over the bank's base rate, presently 2.35% (December 2020 – 2.35%) per annum.

As at 30 June 2021, the contractual maturities of the group's and holding company's non-derivative financial liabilities were as follows:

**Group**

	On demand or within 1 year Eur	Within 2 - 5 years Eur	After 5 years Eur	Total Eur
<b>At 30 June 2021</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Non-interest bearing	39,117,396	-	-	39,117,396
Variable rate instruments	8,100,930	18,759,669	2,851,616	29,712,215
Fixed rate instruments	3,447,083	74,750,000	-	78,197,083
Derivative financial liabilities	10,709	199,527	-	210,236
	<b>50,676,118</b>	<b>93,709,196</b>	<b>2,851,616</b>	<b>147,236,930</b>
<b>At 31 December 2020</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Non-interest bearing	34,156,918	-	-	34,156,918
Variable rate instruments	9,759,561	21,489,845	4,080,093	35,329,499
Fixed rate instruments	2,437,500	9,750,000	67,183,733	79,371,233
Derivative financial liabilities	-	349,358	-	349,358
	<b>46,353,979</b>	<b>31,589,203</b>	<b>71,263,826</b>	<b>149,207,008</b>



**12. Borrowings (continued)****Holding company**

	On demand or within 1 year Eur	Within 2 - 5 years Eur	After 5 years Eur	Total Eur
<b>At 30 June 2021</b>				
<i>Non-derivative financial liabilities</i>				
Non-interest bearing	3,016,243	-	-	3,016,243
Fixed rate instruments	8,319,356	74,750,000	-	83,069,356
	<b>11,335,599</b>	<b>74,750,000</b>	-	<b>86,085,599</b>
<b>At 31 December 2020</b>				
<i>Non-derivative financial liabilities</i>				
Non-interest bearing	1,768,052	-	-	1,768,052
Fixed rate instruments	6,876,250	9,750,000	67,183,733	83,809,983
	<b>8,644,302</b>	<b>9,750,000</b>	<b>67,183,733</b>	<b>85,578,035</b>

**13. Lease liabilities**

Lease liabilities are presented in the statement of financial position within borrowings as follows:

	30 June 2021 Unaudited Eur	Group 31 December 2020 Audited Eur	30 June 2021 Unaudited Eur	Holding Company 31 December 2020 Audited Eur
Lease liabilities (current)	8,079,818	8,245,917	36,625	31,315
Lease liabilities (non-current)	85,926,923	83,939,809	298,141	305,350
	<b>94,006,741</b>	<b>92,185,726</b>	<b>334,766</b>	<b>336,665</b>

**13. Lease liabilities (continued)**

The group has leases for its buildings and motor vehicles. The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2021 were as follows:

	Minimum lease payments due			Total Eur
	Within 1 year Eur	Within 2 - 5 years Eur	After 5 years Eur	
<b>At 30 June 2021</b>				
Lease payments	11,652,333	41,940,359	75,957,074	129,549,766
Finance charges	(3,572,515)	(11,817,883)	(20,152,627)	(35,543,025)
Net present values	<b>8,079,818</b>	<b>30,122,476</b>	<b>55,804,447</b>	<b>94,006,741</b>
<b>At 31 December 2020</b>				
Lease payments	11,722,766	39,928,963	74,612,932	126,264,661
Finance charges	(3,476,849)	(11,337,836)	(19,264,250)	(34,078,935)
Net present values	8,245,917	28,591,127	55,348,682	92,185,726

The holding company has leases for the head office and a motor vehicle. The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2021 were as follows:

	Minimum lease payments due			Total Eur
	Within 1 year Eur	Within 2 - 5 years Eur	After 5 years Eur	
<b>At 30 June 2021</b>				
Lease payments	48,936	176,544	169,191	394,671
Finance charges	(12,311)	(35,740)	(11,854)	(59,905)
Net present values	<b>36,625</b>	<b>140,804</b>	<b>157,337</b>	<b>334,766</b>
<b>At 31 December 2020</b>				
Lease payments	43,826	171,552	185,848	401,226
Finance charges	(12,511)	(37,388)	(14,662)	(64,561)
Net present values	31,315	134,164	171,186	336,665

**13. Lease liabilities (continued)****Lease payments not recognised as a liability**

The group and the holding company have elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expenses relating to payments not included in the measurement of lease liabilities are as follows:

	<b>Group</b>		<b>Holding Company</b>	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	<b>Unaudited</b>	Audited	<b>Unaudited</b>	Audited
	Eur	Eur	Eur	Eur
Short-term leases	-	2,832	-	-
Leases of low value assets	-	12,022	-	-
Covid-19 related rent concessions	<b>(1,477,621)</b>	(1,268,832)	-	-
Variable lease payments	<b>2,053,277</b>	3,471,154	-	-
	<b>575,656</b>	2,217,176	-	-

The group applied the practical expedient allowed in the amendment to IFRS 16 and accounted for Covid-19 related rent concessions as negative variable lease payments amounting to *Eur1,477,621* (December 2020 - *Eur1,268,832*). The practical expedient was applied consistently to all rent concessions received as a direct impact of the Covid-19 pandemic. The group assessed the impacted lease agreements and applied the practical expedient to those agreements with similar characteristics and similar circumstances. All conditions specified within the amendment to IFRS 16 were met for the application of the practical expedient.

**14. Debt securities in issue**

In November 2016, the holding company issued 650,000 3.75% Unsecured Bonds of a nominal value of *Eur100* per bond. The bonds are redeemable at their nominal value on 23 November 2026.

The bonds are listed on the Official List of the Malta Stock Exchange. The market value of the debt securities on 30 June 2021 amounted to *Eur66,300,000* (December 2020 – *Eur65,325,000*).

**15. Related party transactions**

During the course of the year, the group and the holding company entered into transactions with related parties, as set out below.

**Group**

	2021			2020		
	Related party activity Unaudited Eur	Total activity Unaudited Eur	%	Related party activity Unaudited Eur	Total activity Unaudited Eur	%
Cost of sales:						
<i>Related party transactions with:</i>						
Related parties	<u>993,106</u>	<u>144,469,139</u>	<u>1%</u>	<u>751,274</u>	<u>119,217,439</u>	<u>1%</u>
Administrative expenses:						
<i>Related party transactions with:</i>						
Ultimate parent	500,000			500,000		
Related parties	54,896			98,107		
Key management personnel	<u>736,241</u>			<u>765,170</u>		
	<u>1,291,137</u>	<u>10,762,330</u>	<u>12%</u>	<u>1,363,277</u>	<u>10,100,743</u>	<u>13%</u>
Investment income:						
<i>Related party transactions with:</i>						
Ultimate parent	236,442			135,792		
Other related parties	<u>232,962</u>			<u>48,481</u>		
	<u>469,404</u>	<u>549,821</u>	<u>85%</u>	<u>184,273</u>	<u>261,233</u>	<u>71%</u>
Finance costs:						
<i>Related party transactions with:</i>						
Ultimate parent	7,431			-		
Related parties	<u>397,254</u>			<u>384,990</u>		
	<u>404,685</u>	<u>3,680,991</u>	<u>11%</u>	<u>384,990</u>	<u>3,346,683</u>	<u>12%</u>

## 15. Related party transactions (continued)

## Holding Company

	2021			2020		
	Related party activity Unaudited Eur	Total activity Unaudited Eur	%	Related party activity Unaudited Eur	Total activity Unaudited Eur	%
Revenue:						
<i>Related party transactions with:</i>						
Subsidiaries	<b>546,000</b>	<b>546,000</b>	<b>100%</b>	546,000	546,000	100%
Administrative expenses:						
<i>Related party transactions with:</i>						
Ultimate parent	500,000			500,000		
Related parties	22,944			30,638		
Key management personnel	736,241			765,170		
	<b>1,259,185</b>	<b>2,798,246</b>	<b>45%</b>	<b>1,295,808</b>	<b>2,467,345</b>	<b>53%</b>
Investment income:						
<i>Related party transactions with:</i>						
Subsidiaries	649,298			794,810		
Ultimate parent	236,442			135,792		
Related parties	232,962			16,256		
	<b>1,118,702</b>	<b>1,133,676</b>	<b>99%</b>	<b>946,858</b>	<b>961,873</b>	<b>98%</b>
Finance costs:						
<i>Related party transactions with:</i>						
Subsidiaries	98,419			133,088		
Ultimate parent	7,431			-		
Related parties	6,591			6,983		
	<b>112,441</b>	<b>1,395,927</b>	<b>8%</b>	<b>140,071</b>	<b>1,421,893</b>	<b>10%</b>

## 16. Contingent liabilities

Certain subsidiaries of the group, have guaranteed the amount of *Eur8,107,189* (December 2020 – *Eur8,107,189*) in favour of related companies in connection with bank facilities of the respective related company.

Premier Restaurants Malta Limited, a subsidiary of the group, also guaranteed in favour of the ultimate parent of the group, Hili Ventures Limited, the amount of *Eur10,000,000* (December 2020 – *Eur10,000,000*) in connection with bank facilities.

## 17. Fair value of financial assets and financial liabilities

At 30 June 2021 and 31 December 2020, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

The fair values of non-current financial assets and non-current financial liabilities that are not measured at fair value, other than the shares in subsidiary companies that are carried at cost, and the debt securities in issue (where fair value is disclosed in note 14), are not materially different from their carrying amounts due to the fact that the interest rates are considered to represent market rates at the period/year end.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3.

	Group			Total Eur
	Level 1 Eur	Level 2 Eur	Level 3 Eur	
<b>Financial assets</b>				
Local listed debt and equity instruments				
As at 31.12.2020	1,054,901	-	-	1,054,901
<b>As at 30.06.2021</b>	<b>1,061,892</b>	-	-	<b>1,061,892</b>
<b>Financial liabilities</b>				
Derivative financial instruments				
As at 31.12.2020	-	349,358	-	349,358
<b>As at 30.06.2021</b>	-	<b>210,236</b>	-	<b>210,236</b>

**17. Fair value of financial assets and financial liabilities (continued)**

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The fair value of the derivative financial instruments is established by using a valuation technique. Valuation techniques comprise discounted cash flow analysis. The valuation technique is consistent with generally accepted economic methodologies for pricing financial instruments. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the rates at end of the reporting period.

The following table provides an analysis of financial instruments that are not measured subsequent to initial recognition at fair value, other than those with carrying amounts that are reasonable approximations of fair value and other than shares in subsidiary companies, grouped into Levels 1 to 3.

**Group****Fair value measurement at end of reporting period using:**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>Carrying</b>
	<b>Eur</b>	<b>Eur</b>	<b>Eur</b>	<b>Eur</b>	<b>amount</b>
					<b>Eur</b>
<b>Financial assets</b>					
<i>Loans and receivables</i>					
Trade and other receivables	-	4,243,045	-	4,243,045	4,243,045
Receivables from related parties	-	183,970	7,000,000	7,183,970	7,183,970
Receivables from ultimate parent	-	6,639,036	4,000,000	10,639,036	10,639,036
<b>As at 31.12.2020</b>	<b>-</b>	<b>11,066,051</b>	<b>11,000,000</b>	<b>22,066,051</b>	<b>22,066,051</b>
Trade and other receivables	-	<b>4,501,996</b>	-	<b>4,501,996</b>	<b>4,501,996</b>
Receivables from ultimate parent	-	<b>3,134,820</b>	<b>7,500,000</b>	<b>10,634,820</b>	<b>10,634,820</b>
Receivables from related parties	-	<b>87,982</b>	<b>7,000,000</b>	<b>7,087,982</b>	<b>7,087,982</b>
<b>As at 30.06.2021</b>	<b>-</b>	<b>7,724,798</b>	<b>14,500,000</b>	<b>22,224,798</b>	<b>22,224,798</b>
<b>Financial liabilities</b>					
<i>Financial liabilities at amortised cost</i>					
Trade and other payables	-	26,034,593	-	26,034,593	26,034,593
Amounts due to other related parti	-	32,674	-	32,674	32,674
Amounts due to ultimate parent	-	63	-	63	63
Borrowings	-	32,218,073	-	32,218,073	32,218,073
Debt securities	65,325,000	-	-	65,325,000	64,445,856
<b>As at 31.12.2020</b>	<b>65,325,000</b>	<b>58,285,403</b>	<b>-</b>	<b>123,610,403</b>	<b>122,731,259</b>
Trade and other payables	-	<b>32,104,922</b>	-	<b>32,104,922</b>	<b>32,104,922</b>
Amounts due to ultimate parent	-	<b>5,629</b>	<b>1,000,000</b>	<b>1,005,629</b>	<b>1,005,629</b>
Amounts due to related parties	-	<b>39,513</b>	-	<b>39,513</b>	<b>39,513</b>
Borrowings	-	<b>27,761,715</b>	-	<b>27,761,715</b>	<b>27,761,715</b>
Debt securities	<b>66,300,000</b>	-	-	<b>66,300,000</b>	<b>64,492,685</b>
<b>As at 30.06.2021</b>	<b>66,300,000</b>	<b>59,911,779</b>	<b>1,000,000</b>	<b>127,211,779</b>	<b>125,404,464</b>

**17. Fair value of financial assets and financial liabilities (continued)****Holding Company**

## Fair value measurement at end of reporting period using:

	Level 1	Level 2	Level 3	Total	Carrying
	Eur	Eur	Eur	Eur	amount
					Eur
<b>Financial assets</b>					
<i>Loans and receivables</i>					
Receivables from subsidiaries	-	4,546,896	25,688,243	30,235,139	30,235,139
Receivables from ultimate parent	-	6,639,036	4,000,000	10,639,036	10,639,036
Receivables from related parties	-	211,941	7,000,000	7,211,941	7,211,941
<b>As at 31.12.2020</b>	-	<b>11,397,873</b>	<b>36,688,243</b>	<b>48,086,116</b>	<b>48,086,116</b>
Receivables from subsidiaries	-	<b>1,032,555</b>	<b>22,958,552</b>	<b>23,991,107</b>	<b>23,991,107</b>
Receivables from ultimate parent	-	<b>3,134,820</b>	<b>7,500,000</b>	<b>10,634,820</b>	<b>10,634,820</b>
Receivables from related parties	-	<b>87,982</b>	<b>7,000,000</b>	<b>7,087,982</b>	<b>7,087,982</b>
<b>As at 30.06.2021</b>	-	<b>4,255,357</b>	<b>37,458,552</b>	<b>41,713,909</b>	<b>41,713,909</b>
<b>Financial liabilities</b>					
<i>Financial liabilities at amortised cost</i>					
Amounts due to subsidiaries	-	4,768,443	-	4,768,443	4,768,443
Amounts due to related parties	-	10,084	-	10,084	10,084
Debt securities	65,325,000	-	-	65,325,000	64,445,856
<b>As at 31.12.2020</b>	<b>65,325,000</b>	<b>4,778,527</b>	<b>-</b>	<b>70,103,527</b>	<b>69,224,383</b>
Amounts due to subsidiaries	-	<b>4,866,644</b>	-	<b>4,866,644</b>	<b>4,866,644</b>
Amounts due to ultimate parent	-	<b>5,629</b>	<b>1,000,000</b>	<b>1,005,629</b>	<b>1,005,629</b>
Debt securities	<b>66,300,000</b>	-	-	<b>66,300,000</b>	<b>64,492,685</b>
<b>As at 30.06.2021</b>	<b>66,300,000</b>	<b>4,872,273</b>	<b>1,000,000</b>	<b>72,172,273</b>	<b>70,364,958</b>

**18. Events after the end of the reporting period**

No adjusting or significant non-adjusting events have occurred between the end of the reporting period and the date of authorisation by the Board.



**We confirm that to the best of our knowledge:**

- (a) the condensed interim financial statements give a true and fair view of the financial position of Premier Capital p.l.c. (the “holding company”) and its subsidiaries (the “group”) as at 30 June 2021, and the financial performance and cash flows of the holding company and the group for the half year then ended, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 – *Interim Financial Reporting*); and
  
- (b) the interim Directors’ report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Approved by the Board of Directors on 26 August 2021 and signed on its behalf by:



**Mr Melo Hili**  
**Chairman**



**Mr Victor Tedesco**  
**Director**