



HILI
PROPERTIES

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Company Announcement

**The following is a Company Announcement issued by Hili Properties plc
(the “Company”) in terms of Listing Rule 5.16.20**

QUOTE

The Company hereby announces that the Board of Directors approved the Company’s half yearly financial report and unaudited Interim Financial Statements for the period ending 30 June 2021.

The Financial Statements are attached herewith and are also available for viewing on the Company’s website:

www.hiliproperties.com

UNQUOTE

BY ORDER OF THE BOARD

Dr. Melanie Miceli Demajo

Company Secretary

27 August 2021





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Hili Properties p.l.c.

Interim Financial Report (Unaudited)

For the period 1 January 2021 to 30 June 2021

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Hili Properties p.l.c.

Interim Directors' Report Pursuant to Listing Rules 5.75.2

For the period ended 30 June 2021

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

Principal activities

The principal activity of the Hili Properties p.l.c. group is to hold and rent immovable property. Hili Properties p.l.c. also acts as a holding company.

Performance review

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.

The Group

During the period under review, the group has registered an operating profit of €2,228,168 (June 2020: €2,414,917) on revenues of €3,788,519 (June 2020: €3,873,587). After accounting for finance costs and investment losses, the group registered a profit before tax of €694,885 (June 2020: €572,650), an increase of €122,235 on the profit generated in the previous period. The increase in profitability is mainly attributable due to the decrease in investment losses and increase in finance income earned in the current period as compared to the comparative period in 2020.

The group's net assets at the end of the period amounted to €63,162,750 compared to €62,675,082 as at 31 December 2020. The outlook of the operating activity of the Group is expected to remain positive.

The company

During the period ended 30 June 2021, the company registered a loss before tax of €1,478,116 (June 2020: €1,163,282). The net assets of the company at the end of the period amounted to €39,390,551 compared to €40,827,142 as at 31 December 2020.



Hili Properties p.l.c.

Interim Directors' Report Pursuant to Listing Rules 5.75.2 (continued)

For the period ended 30 June 2021

Likely future business developments

The directors consider that the period-end financial position was satisfactory. However, future performance might be affected due to the Covid-19 pandemic.

Effects of the Covid-19 pandemic

The directors are monitoring the situation to safeguard the interest of the group and its stakeholders.

Performance of the first six months was positive and very much in line with expectations by management, as adjusted for any Covid-19 effects. The group's operations have not been materially affected and the group will meet its current obligations such as the upcoming bond interest payments in October 2021.

This set of interim financial statements do not include any adjustments that may be required should the group not realise the full value of its assets and discharge its liabilities in the normal course of business as a result of the prevailing situation.

Post balance sheet events

There are no post-balance sheet events which merit mention in the interim director's report.



Hili Properties p.l.c.

Interim Directors' Report Pursuant to Listing Rules 5.75.2 (continued) For the period ended 30 June 2021

Preparation of the Condensed Consolidated Interim Financial Statements

This report is being published in terms of the Listing Rule 5.75 of the Listing Rules issued by the Listing Authority and has been prepared in accordance with the applicable listing Rules and International Accounting Standard 34 - Interim Financial Reporting. This half-yearly report comprises the reviewed (but not audited) condensed consolidated interim financial statements. The financial statements published in this half-yearly report have been condensed in accordance with the requirements of IAS 34. These financial statements have been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. The comparative statements have been extracted from the audited financial statements for the year ended 31 December 2020 and the management accounts for the period ending 30 June 2020.

Approved by the board of directors and signed on its behalf on the 27th August 2021
by:

Peter Hili
Director

Georgios Kakouras
Managing Director

Hili Properties p.l.c.

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2021

	Group		Holding company	
	1 Jan - 30 Jun 2021 Unaudited €	1 Jan - 30 Jun 2020 Unaudited €	1 Jan - 30 Jun 2021 Unaudited €	1 Jan - 30 Jun 2020 Unaudited €
Revenue	3,788,519	3,873,587	45,000	45,000
Other operating income	28,296	138,348	-	15,025
Administrative expenses	(1,588,647)	(1,597,018)	(718,273)	(608,110)
Operating profit / (loss)	2,228,168	2,414,917	(673,273)	(548,085)
Investment losses	(800)	(109,040)	-	(3,500)
Finance income	132,124	44,849	482,266	434,090
Finance costs	(1,664,607)	(1,778,076)	(1,287,109)	(1,045,788)
Profit/(loss) before taxation	694,885	572,650	(1,478,116)	(1,163,282)
Income tax (expense)/credit	(169,914)	(216,376)	41,525	(5,400)
Profit/(loss) for the period	524,971	356,274	(1,436,591)	(1,168,682)
Other comprehensive income for the period:				
Exchange differences on translation of foreign operation	(37,301)	(32,925)	-	-
Total comprehensive income/ (expense) for the period	487,670	323,349	(1,436,591)	(1,168,682)
<i>Total profit attributable to:</i>				
Owners of the company	494,737	331,610		
Non-controlling interests	30,234	24,664		
	524,971	356,274		
<i>Total comprehensive income attributable to:</i>				
Owners of the company	457,436	298,685		
Non-controlling interests	30,234	24,664		
	487,671	323,349		



Hili Properties p.l.c.

Condensed Statement of Financial Position

As at 30 June 2021

	Group		Holding company	
	30 June 2021 Unaudited €	31 December 2020 Audited €	30 June 2021 Unaudited €	31 December 2020 Audited €
ASSETS AND LIABILITIES				
Non-current assets				
Intangible asset	15,762	15,997	15,665	15,665
Property, plant and equipment	70,924	79,539	2,855	3,295
Investment property	5 105,802,942	105,199,156	5,450,000	5,450,000
Property held for sale	7,735,151	7,735,151	-	-
Investment in subsidiaries	-	-	29,977,245	29,977,245
Deposit on acquisition of investment	24,500,000	24,500,000	24,500,000	24,500,000
Loans and receivables	5,225,136	5,231,333	21,857,984	19,425,714
Trade and other receivables	6 124,948	122,637	-	-
Deferred tax asset	295,687	295,687	-	-
Right-of-use asset	131,039	148,648	-	-
Restricted cash	1,987,696	1,582,998	-	-
Total non-current assets	145,889,285	144,911,146	81,803,749	79,371,919
Current assets				
Loans and receivables	212,057	52,565	5,129,608	9,251,983
Trade and other receivables	6 1,187,190	1,604,494	316,973	406,098
Current tax asset	10,894	12,420	-	-
Cash and cash equivalents	5,539,826	3,058,382	21,787	629,986
Total current assets	6,949,967	4,727,861	5,468,368	10,288,067
TOTAL ASSETS	152,839,252	149,639,007	87,272,117	89,659,986
Current liabilities				
Trade and other payables	7 3,130,553	3,125,163	1,649,218	1,685,076
Other financial liabilities	43,772	10,600	7,845,924	2,821,073
Lease liability	42,416	33,938	-	-
Bank loans	8 2,103,093	5,284,907	-	-
Current tax liabilities	778,256	815,020	33,272	177,313
Total current liabilities	6,098,090	9,269,628	9,528,414	4,683,462
Non - Current liabilities				
Other financial liabilities	1,427,386	1,828,802	1,255,944	7,048,962
Bank loans	8 41,692,968	35,556,012	-	-
Other payables	7 583,748	405,720	-	-
Debt securities in issue	9 36,671,141	36,632,828	36,671,141	36,632,828
Lease liability	91,344	117,579	-	-
Deferred tax liability	3,111,825	3,153,356	426,067	467,592
Total non current liabilities	83,578,412	77,694,297	38,353,152	44,149,382
Total liabilities	89,676,503	86,963,925	47,881,566	48,832,844
Net assets	63,162,749	62,675,082	39,390,551	40,827,142



Hili Properties p.l.c.

Condensed Statement of Financial Position (continued)

As at 30 June 2021

EQUITY				
Share capital	41,592,000	41,592,000	41,592,000	41,592,000
General reserve	144,938	144,938	-	-
Loss offset reserve	748,427	748,427	748,427	748,427
Currency translation reserves	(297,684)	(260,383)	-	-
Retained earnings	20,549,730	20,054,995	(2,949,876)	(1,513,285)
Equity attributable to the owners of the company	62,737,411	62,279,977	39,390,551	40,827,142
Non-controlling interest	425,339	395,105	-	-
Net assets	63,162,750	62,675,082	39,390,551	40,827,142

Peter Hili
Director

Georgios Kakouras
Managing Director

Hili Properties p.l.c.

Condensed Statement of Changes in Equity

For the period ended 30 June 2021

Group	Share capital €	Loss offset reserve €	Legal Reserve €	Currency translation reserve €	Retained Earnings €	Attributable to owners of the parent €	Non-controlling interest €	Total €
Balance at 1 January 2020	40,400,000	748,427	144,938	(255,097)	16,082,568	57,120,836	514,354	57,635,190
Acquisition of minority interest	-	-	-	-	231,665	231,665	(231,665)	-
Profit for the period	-	-	-	-	331,610	331,610	24,664	356,274
Exchange differences on translation of foreign operation	-	-	-	(34,203)	-	(34,203)	-	(34,203)
Balance at 30 June 2020	40,400,000	748,427	144,938	(289,300)	16,645,843	57,649,908	307,353	57,957,261
Balance at 1 January 2021	41,592,000	748,427	144,938	(260,383)	20,064,995	62,279,977	395,105	62,675,082
Profit for the period	-	-	-	-	494,735	494,735	30,234	524,969
Exchange differences on translation of foreign operation	-	-	-	(37,301)	-	(37,301)	-	(37,301)
Balance at 30 June 2021	41,592,000	748,427	144,938	(297,684)	20,549,730	62,737,410	425,339	63,162,750



Hili Properties p.l.c.

Condensed Statement of Changes in Equity

For the period ended 30 June 2021

Holding Company	Share capital	Loss offset	Accumulated	Total
	€	reserve	Losses	€
		€	€	
Balance at 1 January 2020	40,400,000	748,427	199,668	41,348,095
Loss for the period	-	-	(1,168,683)	(1,168,683)
Balance at 30 June 2020	40,400,000	748,427	(969,015)	40,179,412
Balance at 1 January 2021	41,592,000	748,427	(1,513,285)	40,827,142
Loss for the period	-	-	(1,436,591)	(1,436,591)
Balance at 30 June 2021	41,592,000	748,427	(2,949,876)	39,390,551



Hili Properties p.l.c.

Condensed Statement of Cash Flows

For the period ended 30 June 2021

	Group		Holding Company	
	1 Jan - 30 Jun 2021 Unaudited €	1 Jan - 30 Jun 2020 Unaudited €	1 Jan - 30 Jun 2021 Unaudited €	1 Jan - 30 Jun 2020 Unaudited €
Cash flows from operating in activities				
Cash flows generated from/(used in) operations	2,502,313	2,436,799	(1,424,409)	(753,219)
Interest paid	(780,217)	(766,895)	(377,982)	-
Interest received	88,017	43,754	482,266	43,754
Income tax (paid)/refunded	(326,307)	(183,753)	(144,041)	30,499
Net cash flows from/(used in) operating activities	1,483,806	1,529,905	(1,464,166)	(678,966)
Cash flows from investing activities				
Purchase of property, plant and equipment	-	-	-	-
Additions to investment property	(694,773)	(51,328)	-	-
Loans granted to related parties	-	(4,000,000)	(351,872)	(4,000,000)
Net cash flows used in investing activities	(694,773)	(4,051,328)	(351,872)	(4,000,000)
Cash flows from financing activities				
Proceeds from bank loans	4,938,740	-	-	-
Proceeds from loans from related parties	-	-	1,207,839	204,513
Repayment of bank loans	(1,706,911)	(1,574,142)	-	-
Repayment of loans granted by related parties	(1,097,419)	-	-	-
Transfers to restricted cash	(404,698)	(395,000)	-	-
Net cash flows from financing activities	1,729,712	(1,969,142)	1,207,839	204,513
Net movement in cash and cash equivalents	2,518,745	(4,490,565)	(608,199)	(4,474,453)
Cash and cash equivalents at the beginning of the year	3,058,382	7,141,099	629,986	4,926,420
Effects of translation from functional currency to presentation currency	(37,301)	(32,925)	-	-
Cash and cash equivalents at the end of the period	5,539,826	2,617,609	21,787	451,967



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

1. Basis of preparation

The condensed interim financial statements for the six months ending on 30 June 2021 have been extracted from the unaudited management accounts of the Group and the Company and have been prepared in accordance with IAS 34 - *Interim Financial Reporting*.

Hili Properties p.l.c. is the group's ultimate parent company and is a public limited company incorporated in Malta with registration number C57954. The registered address of the holding company is Nineteen Twenty-Three, Valletta Road, Marsa. As disclosed in note 9, it has bonds issued on the Malta Stock Exchange.

2. Significant accounting policies

The condensed consolidated interim financial statements as at end of 30 June 2021 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"). 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

Other accounting pronouncements which have become effective from 1 January 2021 and have therefore been adopted do not have a significant impact on the group's and holding company's financial results or position.

Standards, amendments, and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

Several new, but not yet effective, standards, amendments to existing standards, and interpretations have been published by the IASB. None of these standards, amendments or Interpretations have been adopted early by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations neither adopted nor listed by the Group have not been disclosed as they are not expected to have a material impact on the Group's financial statements.



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

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.

4. Segmental Reporting

The segment reporting of the group is made in terms of the location which it conducts its business in, as the risks and rates of return are affected predominantly by differences in the services provided in the different locations. The group is currently organised into five main business segments: Malta, Latvia, Estonia, Lithuania and Romania. Each of these operating segments is managed separately as each of these lines requires local resources. All inter segment transfers for management services are carried out on a cost basis.

The accounting policy for identifying segments is based on internal management reporting information that is regularly reviewed by the chief operating decision maker.

Each of these operating segments is managed separately as each of these lines requires local resources. All inter segment transfers for management services are carried out on a cost basis.

Revenue reported below represents revenue generated from external customers. There were no intersegment sales in the period. The group's reportable segments under IFRS 8 are direct sales attributable to each line of business.

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 based on services 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:

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

4. Segmental Reporting (continued)

	Group	
	1 January to 30 June 2021 Unaudited €	1 January to 30 June 2020 Unaudited €
Profit before taxation		
Total profit for reportable segments	1,752,366	1,699,479
Unallocated amounts:		
Finance Costs	(870,814)	(870,814)
Other unallocated amounts	(186,667)	(256,015)
	694,885	572,650
Assets	30 June 2021	31 December 2020
	Unaudited	Audited
	€	€
Total assets for reportable segments	196,026,283	130,146,840
Elimination of inter segment receivables	(51,458,834)	(44,443,410)
Unallocated amounts:		
Other unallocated amounts	8,271,803	63,935,578
	152,839,252	149,639,008
Liabilities	30 June 2021	31 December 2020
	Unaudited	Audited
	€	€
Total liabilities for reportable segments	92,535,588	74,655,947
Elimination of inter segment payables	(51,467,733)	(49,828,542)
Unallocated amounts:		
Debt Securities in issue	36,671,141	36,632,828
Other unallocated amounts	11,937,506	25,503,693
	89,676,502	86,963,926

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

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

4. Segmental reporting (continued)

For the period ended 30 June 2021 (unaudited)

	Malta Eur	Latvia Eur	Estonia Eur	Lithuania Eur	Romania Eur	Total Eur	Unallocated Eur	Eliminations and Adjustments Eur	Consolidated Eur
Revenue	800,832	1,332,97	54,998	144,453	1,456,039	3,788,519	-	-	3,788,519
Profit before tax	378,231	711,346	45,834	97,013	519,942	1,752,366	(870,814)	(186,667)	694,885
Depreciation and amortisation	(526)	(27,146)	-	-	(395)	(28,067)	-	-	(28,067)
Finance costs	(137,311)	(229,603)	-	(11,655)	(415,224)	(793,793)	(870,814)	-	(1,664,607)
Income tax expense	(152,653)	64)	-	(13,637)	(3,560)	(169,914)	-	-	(169,914)

As at 30 June 2021 (unaudited)

Segment assets	100,378,548	46,945,226	2,176,041	4,914,868	41,611,600	196,026,283	8,271,803	(51,458,834)	152,839,252
Investment property	30,549,999	30,496,116	1,700,000	4,860,000	38,196,827	105,802,942	-	-	105,802,942
Additions to investment property	-	-	-	-	694,773	694,773	-	-	694,773
Segment liabilities	31,197,652	31,220,468	933,923	2,532,879	26,650,865	92,535,587	48,608,647	(51,467,733)	89,676,501

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

4. Segmental reporting (continued)

For the period ended 30 June 2020 (unaudited)

	Malta Eur	Latvia Eur	Estonia Eur	Lithuania Eur	Romania Eur	Total Eur	Unallocated Eur	Eliminations and Adjustments Eur	Consolidated Eur
Revenue	806,441	1,517,910	54,998	140,246	1,353,992	3,873,587	-	-	3,873,587
Profit before tax	394,083	618,504	54,920	13,215	618,752	1,699,474	2,768,101	(3,894,925)	572,650
Depreciation and amortisation	(62,974)	(14,670)	-	-	(400)	(78,044)	-	-	(78,044)
Finance costs	(283,783)	(586,818)	-	(14,174)	(529,320)	(1,414,095)	(1,145,745)	781,764	(1,778,076)
Income tax expense	(199,892)	-	-	(13,989)	(2,495)	(216,376)	-	-	(216,376)
As at 31 December 2020 (audited)									
Segment assets	34,886,813	48,768,561	2,139,776	5,082,005	39,269,685	130,146,840	63,935,578	(44,443,410)	149,639,008
Investment property	25,100,000	31,239,127	1,700,000	4,860,000	36,850,028	99,749,155	5,450,000	-	105,199,155
Additions to Investment property	128,039	74,590	-	-	869,936	1,072,565	26,790	-	1,099,355
Segment liabilities	12,395,049	33,011,003	943,502	2,783,392	25,523,001	74,655,947	62,136,521	(49,828,542)	86,963,926



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

5. Investment property

Group	Retail/ Commercial Properties	Office Properties	Other Properties	Group Total
	€	€	€	
At 1 January 2020 (Audited)	77,812,186	29,691,707	2,400,000	109,903,893
Additions	969,458	129,897	-	1,099,355
Disposals	(1,609,600)	-	-	(1,609,600)
Increase in fair value	2,108,163	1,526,237	550,000	4,184,400
Decrease in fair value	(574,851)	-	-	(574,851)
Exchange differences	(68,890)	-	-	(68,890)
Transferred to property held for sale	(7,735,151)	-	-	(7,735,151)
At 1 January 2021 (Audited)	70,901,315	31,347,841	2,950,000	105,199,156
Additions	694,773	-	-	694,773
Exchange differences	(90,987)	-	-	(90,987)
At 30 June 2021 (unaudited)	71,505,101	31,347,841	2,950,000	105,802,942
Holding company		Office Properties	Other Properties	Total
		€	€	€
At 1 January 2020 (Audited)		2,159,890	2,400,000	4,559,890
Additions		28,084	-	28,084
Increase in fair value		312,026	550,000	862,026
At 30 June 2021 (unaudited)		2,500,000	2,950,000	5,450,000

The fair value of investment properties amounts to €105,791,980 (2020: €105,199,156). The directors are of the opinion that the fair value of the investment properties did not alter significantly from the values reported in December 2020.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

6. Trade and other receivables

	Group		Holding company	
	30 June 2021 Unaudited €	31 December 2020 Audited €	30 June 2021 Unaudited €	31 December 2020 Audited €
Trade receivables	381,164	230,120	7,137	8,460
Other receivables	460,735	405,675	110,932	199,218
Amounts due from related companies	39,513	124,379	-	3,013
Amounts due from Parent	-	538,858	-	176,084
Prepayments and accrued income	430,725	428,099	198,905	19,323
Total trade and other receivables	1,312,137	1,727,131	316,974	406,098
Less: amounts expected to be settled within 12 months	(1,187,190)	(1,604,494)	(316,974)	(406,098)
Amounts expected to be settled after 12 months (shown under non-current liabilities)	124,948	122,637	-	-

No interest is charged on trade and other receivables.

7. Trade and other payables

	Group		Holding company	
	30 June 2021 Unaudited €	31 December 2020 Audited €	30 June 2021 Unaudited €	31 December 2020 Audited €
Trade payables	317,935	371,296	3,838	3,243
Amounts due to other related companies	-	499,148	-	492,304
Amounts due to group companies	-	-	-	132,954
Amounts due to ultimate parent company	-	321,715	-	319,539
Other payables	1,128,549	930,336	70,276	46,989
Accruals and deferred income	2,267,818	1,408,388	1,575,104	690,047
Total trade and other payables	3,714,301	3,530,883	1,649,218	1,685,076
Less: amounts expected to be settled within 12 months	(3,130,553)	(3,125,163)	(1,649,218)	(1,685,076)
Amounts expected to be settled after 12 months (shown under non-current liabilities)	583,748	405,720	-	-

No interest is charged on trade and other payables.



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

8. Bank Loans

	Group		Holding company	
	30 June 2021 Unaudited €	31 December 2020 Audited €	30 June 2021 Unaudited €	31 December 2020 Audited €
Bank loans	43,796,061	40,840,919	-	-
Less: amount due for settlement within 12 months (shown under current liabilities)	(2,103,093)	(5,284,907)	-	-
Amount due for settlement after 12 months	<u>41,692,968</u>	<u>35,556,012</u>	<u>-</u>	<u>-</u>

Bank loans are payable as follows:

	Group		Holding company	
	30 June 2021 Unaudited €	31 December 2020 Audited €	30 June 2021 Unaudited €	31 December 2020 Audited €
On demand or within one year	2,103,093	5,284,908	-	-
Between one and five years	22,660,614	20,529,127	-	-
After five years	19,032,354	15,026,884	-	-
	<u>43,796,061</u>	<u>40,840,919</u>	<u>-</u>	<u>-</u>

The group's bank loans facilities bear effective interest at the rates of 3.25% to 4.85% p.a. The group's bank borrowings facilities amount to €43,796,061 (2020: €40,840,919). The facilities are secured by special hypothecs over the investment property of the group, a general hypothec over the assets of the group, guarantees provided by other related party and a pledge over rent receivable from the company's tenants.



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

9. Debt securities in issue

	Group and holding company	
	30 June 2021 Unaudited €	31 December 2020 Audited €
4.5% unsecured bonds redeemable 2025	<u>36,671,141</u>	<u>36,632,828</u>

In October 2015, the Company issued 370,000 4.5% unsecured bonds of a nominal value of €100 per bond. The bonds are redeemable at their nominal value in 2025. Interest on the bonds is due and payable annually on 16 October of each year.

The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bond is net of direct issue costs of €766,271 which are being amortised over the life of the bond. The market value of debt securities on the last trading day before the statement of financial position date was €37,925,000 (2020: €37,003,700). The bonds are guaranteed by Harbour (APM) Investments Limited and Hili Estates Limited. The full terms of the guarantee are disclosed in the bond prospectus.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

10. Related party transactions

During the period, the Company and the group entered into transactions with related parties set out below.

Group	1 Jan - 30 Jun 2021 Unaudited			1 Jan - 30 Jun 2020 Unaudited		
	Related party activity €	Total activity €	%	Related party activity €	Total activity €	%
Revenue:						
Related party transactions with:						
Parent company	210,648			210,408		
Other related parties	1,008,899			874,143		
	<u>1,219,547</u>	<u>3,788,519</u>	32%	<u>1,084,551</u>	<u>3,873,587</u>	28%
Administrative expenses:						
Related party transactions with:						
Parent company	350,000			350,000		
Other related parties	-			24,966		
	<u>350,000</u>	<u>1,588,647</u>	22%	<u>374,966</u>	<u>1,704,825</u>	22%
Other operating income						
Related party transactions with:						
Other related parties	18,044			18,044		
	<u>18,044</u>	<u>28,296</u>	64%	<u>18,044</u>	<u>138,348</u>	13%
Finance income:						
Related party transactions with:						
Other related parties	128,931			43,754		
	<u>128,931</u>	<u>132,124</u>	98%	<u>43,754</u>	<u>44,849</u>	98%
Finance costs:						
Related party transactions with:						
Other related parties	42,691			42,927		
	<u>42,691</u>	<u>1,664,607</u>	3%	<u>42,927</u>	<u>1,778,076</u>	2%



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

10. Related party transactions (continued)

Holding company	1 Jan - 30 Jun 2021 Unaudited			1 Jan - 30 Jun 2020 Unaudited		
	Related party activity €	Total activity €	%	Related party activity €	Total activity €	%
Administrative expenses:						
Related party transactions with:						
Parent company	350,000			350,000		
	<u>350,000</u>	<u>718,273</u>	49%	<u>350,000</u>	<u>608,110</u>	58%
Finance income:						
Related party transactions with:						
Subsidiaries	396,787			390,336		
Other related parties	85,479			43,754		
	<u>482,266</u>	<u>482,266</u>	100%	<u>434,090</u>	<u>434,090</u>	100%
Finance costs:						
Related party transactions with:						
Subsidiaries	373,604			131,432		
Other related parties	42,691			43,542		
	<u>416,295</u>	<u>1,287,109</u>	32%	<u>174,974</u>	<u>1,045,788</u>	17%

No expense has been recognised in the period for bad or doubtful debts in respect of amounts due by related parties and there are no provisions for doubtful debts in respect of outstanding amounts due by related parties.

11. Fair values 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 the debt securities in issue are disclosed in Note 9. The fair values of the other non-current financial liabilities and the non-current financial assets are not materially different from their carrying amounts due to the fact that the interest rates are considered to represent market rates at the year end. The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories below have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

11. Fair values of financial assets and financial liabilities (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the company and the group determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each 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 investments in subsidiaries, associates and jointly controlled entities, grouped into Levels 1 to 3.

Group	Level 1	Level 2	Level 3	Total	Carrying amount
	€	€	€	€	€
2021	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Financial assets					
Deposit on the acquisition of investment	-	24,500,000	-	24,500,000	24,500,000
<i>Loans and receivables</i>					
- <i>receivables from related parties</i>	-	212,057	5,225,136	5,437,193	5,437,193
As at 30 June, 2021	-	24,712,057	5,225,136	29,937,193	29,937,193
Financial liabilities					
<i>Financial liabilities at amortised cost</i>					
- Other financial liabilities	-	86,188	1,427,386	1,513,574	1,513,574
- Bank borrowings	-	43,846,315	-	43,846,315	43,846,315
- Debt securities	37,740,000	-	-	37,740,000	36,671,141
As at 30 June, 2021	37,740,000	43,932,503	1,427,386	83,099,889	82,031,030

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2021

11. Fair values of financial assets and financial liabilities (continued)

Group	Level 1	Level 2	Level 3	Total	Carrying amount
	€	€	€	€	€
2020	Audited	Audited	Audited	Audited	Audited
Financial assets					
Deposit on the acquisition of investment	-	24,500,000	-	24,500,000	24,500,000
<i>Loans and receivables</i>					
- receivables from related parties	-	52,565	5,231,333	5,283,898	5,283,898
At 31 December 2020	-	24,552,565	5,231,333	29,783,898	29,783,898
Financial liabilities					
<i>Financial liabilities at amortised cost</i>					
- Other financial liabilities	-	10,600	1,828,802	1,839,402	1,839,402
- Bank borrowings	-	40,840,920	-	40,840,920	40,840,920
- Debt securities	37,003,700	-	-	37,003,700	36,632,828
At 31 December 2020	37,003,700	40,851,520	1,828,802	79,684,022	79,313,150
Holding company					
	Level 1	Level 2	Level 3	Total	Carrying amount
	€	€	€	€	€
2021	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Financial assets					
Deposit on the acquisition of investment	-	24,500,000	-	24,500,000	24,500,000
<i>Loans and receivables</i>					
- receivables from related parties	-	5,129,608	21,857,984	26,987,592	26,987,592
As at 30 June, 2021	-	29,629,608	21,857,984	51,487,592	51,487,592
Financial liabilities					
<i>Financial liabilities at amortised cost</i>					
- other financial liabilities	-	7,845,924	1,255,944	9,101,868	9,101,868
- debt securities	37,925,000	-	-	37,925,000	36,671,141
As at 30 June, 2021	37,925,000	7,845,924	1,255,944	47,026,868	45,773,009
2020	Audited	Audited	Audited	Audited	Audited
Financial assets					
Deposit on the acquisition of investment	-	24,500,000	-	24,500,000	24,500,000
<i>Loans and receivables</i>					
- receivables from related parties	-	9,251,983	19,425,714	28,677,697	28,677,697
At 31 December 2020	-	33,751,983	19,425,714	53,177,697	53,177,697
Financial liabilities					
<i>Financial liabilities at amortised cost</i>					
- other financial liabilities	-	2,821,073	7,048,962	9,870,035	9,870,035
- debt securities	37,003,700	-	-	37,003,700	36,632,828
At 31 December 2020	37,003,700	2,821,073	7,048,962	46,873,735	46,502,863



Hili Properties p.l.c.

Statement Pursuant to Listing Rule 5.75.3 issued by the Listing Authority

For the period ended 30 June 2021

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 Hili Properties p.l.c. (the “company”) and its subsidiaries (the “group”) As at 30 June 2021, and the financial performance and cash flows of the company and the group for the six month period 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 the 27^h August, 2021 and signed on its behalf by:

Peter Hili
Director

Georgios Kakouras
Managing Director