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COMPANY ANNOUNCEMENT

**The following is a Company Announcement issued by Premier Capital p.l.c.
(the “Company”) in terms of Listing Rule 5.16.20**

QUOTE

The Company hereby announces that the Board of Directors has approved the Company’s half yearly financial report and unaudited Interim Financial Statements for the period ending 30th June 2022.

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

<https://premiercapital.com.mt/financial-statements/>

UNQUOTE

By order of the Board

Mr. Adrian Mercieca
Company Secretary

30 August 2022

Premier Capital p.l.c

Nineteen Twenty Three, Valletta Road,
Marsa MRS 3000 Malta,
www.premiercapital.com.mt
Company Reg No C 36522



BALTICS | GREECE | MALTA | ROMANIA





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Premier Capital p.l.c.

Interim Financial Report (Unaudited)

For the period 1 January 2022 to 30 June 2022

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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 2022.

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

During the period ended 30th June 2022, the group recorded an increase in revenue over the comparative period in 2021. However, the group was unable to maintain the same profit margin as the prior period because of the rising costs of raw material, utilities, and labour. Particularly, the Baltic countries faced the highest levels of inflation in all the European Union. The positive performance during the period has allowed the group to retain its planned level of expansion of new restaurants as well as its continued investment in technology and talent. With one new restaurant opened in the first half of 2022, by the end of the reporting period, the group operated 167 restaurants. An additional two restaurants were opened post balance sheet date.

During the period under review, the group registered an operating profit of *Eur20,515,276* (June 2021 – *Eur18,945,486*) on revenues of *Eur239,544,001* (June 2021 - *Eur185,141,930*). After accounting for the investment income and finance costs, the group registered a profit before tax of *Eur17,503,773* (June 2021 – *Eur15,814,316*).

In the first six months of 2022, the group registered an EBITDA of *Eur33,320,946* when compared to an EBITDA of *Eur31,072,174* for the period ended June 2021.

The group's net assets for the period under review amounted to *Eur79,370,336* compared to *Eur68,709,889* as at 31 December 2021.

Holding company

During the period under review, the holding company registered an operating loss of *Eur3,020,929* (June 2021 – *Eur2,242,680*). After accounting for investment income and finance costs, the holding company registered a pre-tax profit of *Eur623,483* (June 2021 – loss of *Eur2,504,931*).

The net assets of the holding company as at 30 June 2022 amounted to *Eur39,880,450* compared to *Eur44,196,423* as at 31 December 2021.

Future Outlook

The group is following the ongoing food and energy crisis brought about by the war in Ukraine and the turbulent economic environment in Europe. While the group remains strongly vigilant over the impact of inflation on its profitability, it remains optimistic that its projections for the financial year 2022 remain attainable. Furthermore, the group continues to have confidence in the opportunities available in all the countries in which it operates. Investment in existing and new restaurants is planned to remain as originally forecasted.

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 2022 and its comparative period in 2021.

This report is being published in terms of the Capital Markets Rule 5.75 issued by the Capital Markets Authority, and has been prepared in accordance with the applicable Capital Markets 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 Capital Markets 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 30 August 2022 and signed on its behalf by:



Mr Carmelo (*sive Melo*) Hili
Chairman



Mr Victor Tedesco
Director

Premier Capital p.l.c.

Condensed Statements of Profit or Loss and Other Comprehensive Income Period ended 30 June 2022



| | Group | | Holding Company | |
|--|--------------------------------------|------------------------------|--------------------------------------|------------------------------|
| | 1 January to 30 June 2022 | 1 January to 30 June 2021 | 1 January to 30 June 2022 | 1 January to 30 June 2021 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| | Eur | Eur | Eur | Eur |
| Revenue | 239,544,001 | 185,141,930 | 546,000 | 546,000 |
| Cost of sales | (190,710,413) | (144,469,139) | - | - |
| Gross profit | 48,833,588 | 40,672,791 | 546,000 | 546,000 |
| Other operating income | 420,545 | 366,757 | - | 9,566 |
| Selling expenses | (15,099,985) | (11,331,732) | - | - |
| Administrative expenses | (13,638,872) | (10,762,330) | (3,566,929) | (2,798,246) |
| Operating profit / (loss) | 20,515,276 | 18,945,486 | (3,020,929) | (2,242,680) |
| Investment income | 980,273 | 549,821 | 5,208,482 | 1,133,676 |
| Finance costs | (3,991,776) | (3,680,991) | (1,564,070) | (1,395,927) |
| Profit/(loss) before tax | 17,503,773 | 15,814,316 | 623,483 | (2,504,931) |
| Income tax (expense)/credit | (1,834,779) | (1,659,263) | 100,472 | 34,164 |
| Profit/(loss) for the period | 15,668,994 | 14,155,053 | 723,955 | (2,470,767) |
| Other comprehensive (expense)/income: | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| (Decrease)/Increase in fair value of financial assets at fair value through other comprehensive income | (36,676) | 2,792 | (36,676) | 2,792 |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| (Decrease)/Increase in fair value of financial assets at fair value through other comprehensive income | (3,252) | 4,200 | (3,252) | 4,200 |
| Exchange differences on translation of foreign operations | 31,381 | (496,691) | - | - |
| | 28,129 | (492,491) | (3,252) | 4,200 |
| Total other comprehensive (expense)/ income | (8,547) | (489,699) | (39,928) | 6,992 |
| Total comprehensive income/(expense) for the period | 15,660,447 | 13,665,354 | 684,027 | (2,463,775) |

Premier Capital p.l.c.
Condensed Statements of Financial Position
at 30 June 2022



| | Notes | Group | | Holding Company | |
|---|-------|--------------------|--------------------|--------------------|--------------------|
| | | 30 June 2022 | 31 December 2021 | 30 June 2022 | 31 December 2021 |
| | | Unaudited | Audited | Unaudited | Audited |
| | | Eur | Eur | Eur | Eur |
| ASSETS AND LIABILITIES | | | | | |
| Non-current assets | | | | | |
| Goodwill | 5 | 24,936,240 | 24,931,687 | - | - |
| Intangible assets | 7 | 6,173,419 | 6,821,515 | 3,354,245 | 3,659,183 |
| Property, plant and equipment | 8 | 103,970,639 | 98,757,291 | 26,430 | 21,338 |
| Right of use assets | 9 | 106,946,306 | 105,720,367 | 324,608 | 346,508 |
| Other financial assets | 17 | 583,810 | 152,621 | - | - |
| Financial assets at fair value through other comprehensive income | 17 | 1,009,587 | 1,049,515 | 1,009,587 | 1,049,515 |
| Investment in subsidiaries | | - | - | 56,375,780 | 56,375,780 |
| Loans and receivables | 17 | 11,345,630 | 11,345,630 | 16,173,125 | 16,173,125 |
| Deferred tax assets | | 1,624,934 | 1,464,408 | - | - |
| Prepayments | | 2,357,406 | 2,285,165 | 515,013 | 513,250 |
| | | 258,947,971 | 252,528,199 | 77,778,788 | 78,138,699 |
| Current assets | | | | | |
| Inventories | | 8,289,717 | 7,373,846 | - | - |
| Loans and receivables | 17 | 42,263 | 20,697,810 | 23,562,202 | 39,063,998 |
| Trade and other receivables | 10 | 6,758,249 | 7,681,929 | 3,803,818 | 3,083,621 |
| Current tax asset | | 108,126 | 1,015,686 | - | 852,397 |
| Cash and cash equivalents | | 53,428,625 | 28,377,151 | 14,687,639 | 6,268,348 |
| | | 68,626,980 | 65,146,422 | 42,053,659 | 49,268,364 |
| Total assets | | 327,574,951 | 317,674,621 | 119,832,447 | 127,407,063 |
| Current liabilities | | | | | |
| Trade and other payables | 11 | 49,679,685 | 44,557,707 | 2,847,819 | 1,972,265 |
| Other financial liabilities | 17 | 142,073 | 64,754 | 10,952,274 | 15,211,108 |
| Borrowings | 12 | 3,274,279 | 5,589,352 | - | - |
| Lease liabilities | 13 | 8,531,335 | 8,663,431 | 38,286 | 38,741 |
| Current tax liabilities | | 2,765,745 | 1,242,688 | 207,186 | - |
| | | 64,393,117 | 60,117,932 | 14,045,565 | 17,222,114 |
| Non-current liabilities | | | | | |
| Borrowings | 12 | 12,553,239 | 19,502,172 | - | - |
| Debt securities in issue | 14 | 64,586,343 | 64,539,514 | 64,586,343 | 64,539,514 |
| Other financial liabilities | 17 | - | 75,307 | - | - |
| Lease liabilities | 13 | 105,242,925 | 103,210,244 | 305,977 | 325,308 |
| Provisions | | 414,879 | 395,859 | - | - |
| Deferred tax liabilities | | 1,014,112 | 1,123,704 | 1,014,112 | 1,123,704 |
| | | 183,811,498 | 188,846,800 | 65,906,432 | 65,988,526 |
| Total liabilities | | 248,204,615 | 248,964,732 | 79,951,997 | 83,210,640 |
| Net assets | | 79,370,336 | 68,709,889 | 39,880,450 | 44,196,423 |

Premier Capital p.l.c.
Condensed Statements of Financial Position (Continued)
at 30 June 2022



| | <i>Notes</i> | Group | | Holding Company | |
|------------------------------|--------------|---------------------|-------------------------|------------------------|-------------------------|
| | | 30 June 2022 | 31 December 2021 | 30 June 2022 | 31 December 2021 |
| | | Unaudited | Audited | Unaudited | Audited |
| | | Eur | Eur | Eur | Eur |
| EQUITY | | | | | |
| Share capital | | 33,674,700 | 33,674,700 | 33,674,700 | 33,674,700 |
| Exchange translation reserve | | (4,018,906) | (4,050,287) | - | - |
| Fair value reserve | | (140,082) | (100,154) | (140,082) | (100,154) |
| Other reserves | | (97,926) | (97,926) | 212,351 | 212,351 |
| Retained earnings | | 49,952,550 | 39,283,556 | 6,133,481 | 10,409,526 |
| Total equity | | 79,370,336 | 68,709,889 | 39,880,450 | 44,196,423 |

Premier Capital p.l.c.
Condensed Statements of Changes in Equity
for the period ended 30 June 2022



Group

| | Share capital | Exchange translation reserve | Fair value reserve | Other reserves | Retained earnings | Total |
|---|-------------------|------------------------------|--------------------|-----------------|-------------------|--------------------|
| | Eur | Eur | Eur | Eur | Eur | Eur |
| Balance at 1 January 2021 | 33,674,700 | (3,308,667) | (94,768) | (174,614) | 22,906,768 | 53,003,419 |
| Dividends (Note 6) | - | - | - | - | (7,500,000) | (7,500,000) |
| Profit for the period | - | - | - | - | 14,155,053 | 14,155,053 |
| Other comprehensive expense | - | (496,691) | 6,992 | - | - | (489,699) |
| Total comprehensive income for the period | - | (496,691) | 6,992 | - | 14,155,053 | 13,665,354 |
| Balance at 30 June 2021 | 33,674,700 | (3,805,358) | (87,776) | (174,614) | 29,561,821 | 59,168,773 |
| Balance at 1 January 2022 | 33,674,700 | (4,050,287) | (100,154) | (97,926) | 39,283,556 | 68,709,889 |
| Dividends (Note 6) | - | - | - | - | (5,000,000) | (5,000,000) |
| Profit for the period | - | - | - | - | 15,668,994 | 15,668,994 |
| Other comprehensive expense | - | 31,381 | (39,928) | - | - | (8,547) |
| Total comprehensive income for the period | - | 31,381 | (39,928) | - | 15,668,994 | 15,660,447 |
| Balance at 30 June 2022 | 33,674,700 | (4,018,906) | (140,082) | (97,926) | 49,952,550 | 79,370,336 |

Premier Capital p.l.c.
Condensed Statements of Changes in Equity (Continued)
for the period ended 30 June 2022



Holding Company

| | Share capital Eur | Fair value reserve Eur | Other reserves Eur | Retained earnings Eur | Total Eur |
|--|-------------------------|------------------------------|--------------------------|-----------------------------|--------------------|
| Balance at 1 January 2021 | 33,674,700 | (94,768) | 212,351 | 10,107,274 | 43,899,557 |
| Dividends (Note 6) | - | - | - | (7,500,000) | (7,500,000) |
| Loss for the period | - | - | - | (2,470,767) | (2,470,767) |
| Other comprehensive expense | - | 6,992 | - | - | 6,992 |
| Total comprehensive expense for the period | - | 6,992 | - | (2,470,767) | (2,463,775) |
| Balance at 30 June 2021 | 33,674,700 | (87,776) | 212,351 | 136,507 | 33,935,782 |
| Balance at 1 January 2022 | 33,674,700 | (100,154) | 212,351 | 10,409,526 | 44,196,423 |
| Dividends (Note 6) | - | - | - | (5,000,000) | (5,000,000) |
| Loss for the period | - | - | - | 723,955 | 723,955 |
| Other comprehensive expense | - | (39,928) | - | - | (39,928) |
| Total comprehensive income for the period | - | (39,928) | - | 723,955 | 684,027 |
| Balance at 30 June 2022 | 33,674,700 | (140,082) | 212,351 | 6,133,481 | 39,880,450 |

Premier Capital p.l.c.
Condensed Statements of Cash Flows
for the period ended 30 June 2022



| | Group | | Holding Company | |
|---|---------------------|--------------|------------------------|--------------|
| | 30 June 2022 | 30 June 2021 | 30 June 2022 | 30 June 2021 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| | Eur | Eur | Eur | Eur |
| Cash flows from operating activities | | | | |
| Cash flows from operations | 38,506,582 | 34,946,104 | (2,720,167) | (594,313) |
| Interest paid | (1,715,407) | (1,766,178) | (1,260,733) | (1,244,014) |
| Income tax received/(paid) | 325,720 | (593,639) | 1,050,465 | (10,641) |
| Net cash flows from/(used in) operating activities | 37,116,895 | 32,586,287 | (2,930,435) | (1,848,968) |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | (12,073,014) | (6,087,443) | (12,174) | (8,434) |
| Proceeds from sale of property, plant and equipment | 22,513 | 42,600 | 1,213 | 2,830 |
| Purchase of intangible assets | (50,072) | (232,519) | - | - |
| Payment of loans, receivables and payables from subsidiaries and related parties | 155,547 | 181,219 | (2,521,345) | (2,469,703) |
| Advances of loans, receivables and payables from subsidiaries and related parties | 20,500,000 | - | 18,023,141 | 8,841,910 |
| Interest received | 468,442 | 331,393 | 1,033,818 | 1,128,343 |
| Net cash flows from/(used in) investing activities | 9,023,416 | (5,764,750) | 16,524,653 | 7,494,946 |
| Cash flows from financing activities | | | | |
| Repayment of bank borrowings | (9,299,530) | (4,745,271) | - | - |
| Repayment from lease liabilities | (4,671,026) | (4,318,847) | (19,786) | (18,742) |
| Interest from lease liabilities | (2,229,540) | (1,860,553) | (6,896) | (6,665) |
| Movement in other financial liabilities | 77,319 | 1,000,000 | (4,322,909) | 995,327 |
| Dividends paid to ultimate parent | (5,000,000) | (7,500,000) | (5,000,000) | (7,500,000) |
| Dividends received from subsidiaries | - | - | 4,169,329 | - |
| Dividends received from related parties | 5,335 | 5,335 | 5,335 | 5,335 |
| Net cash flows used in financing activities | (21,117,442) | (17,419,336) | (5,174,927) | (6,524,745) |
| Net movement in cash and cash equivalents | 25,022,869 | 9,402,201 | 8,419,291 | (878,767) |
| Cash and cash equivalents at the beginning of the year | 28,377,151 | 28,741,915 | 6,268,348 | 1,600,399 |
| Impact of foreign exchange differences | 28,605 | 522,306 | - | - |
| Cash and cash equivalents at the end of the period | 53,428,625 | 38,666,422 | 14,687,639 | 721,632 |

1. Basis of preparation

The condensed consolidated interim financial statements for the half year reporting period ended 30 June 2022 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 2021, and corresponding interim period.

(i) Other pronouncements

There are no accounting pronouncements which have become effective from 1 January 2022 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 2021. The only exception is 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 McDonald'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

| | 1 January to 30 June 2022 | 1 January to 30 June 2021 |
|-------------------------------------|--------------------------------------|------------------------------|
| | Unaudited Eur | Unaudited Eur |
| Total profit for reportable segment | 21,614,942 | 19,000,809 |
| <i>Unallocated amounts:</i> | | |
| Revenue | 546,000 | 546,000 |
| Administrative expenses | (3,645,141) | (2,999,040) |
| Investment income | 1,224,911 | 1,133,885 |
| Finance costs | (2,236,939) | (1,876,904) |
| Other operating income | - | 9,566 |
| | 17,503,773 | 15,814,316 |

4. Segmental reporting (continued)

Assets

| | 30 June 2022 | 31 December 2021 |
|--|---------------------|---------------------|
| | Unaudited | Audited |
| | Eur | Eur |
| Total assets for reportable segments | 275,919,389 | 261,221,629 |
| Elimination of inter-segment receivables | (36,723,062) | (36,865,110) |
| <i>Unallocated amounts:</i> | | |
| Goodwill | 24,936,240 | 24,931,687 |
| Intangible assets | 3,354,245 | 3,659,183 |
| Financial assets through other comprehensive income | 1,009,587 | 1,049,515 |
| Loans and receivables | 39,735,327 | 55,237,123 |
| Trade and other receivables | 3,803,818 | 3,083,621 |
| Current tax assets | - | 852,397 |
| Cash and cash equivalents | 14,687,639 | 6,268,348 |
| Other unallocated amounts | 851,768 | (1,763,772) |
| | 327,574,951 | 317,674,621 |

Liabilities

| | 30 June 2022 | 31 December 2021 |
|---|--------------------|---------------------|
| | Unaudited | Audited |
| | Eur | Eur |
| Total liabilities for reportable segments | 162,860,794 | 155,905,781 |
| Elimination of inter-segment payables | (185,540) | (118,442) |
| <i>Unallocated amounts:</i> | | |
| Trade and other payables | 2,847,819 | 1,972,265 |
| Other financial liabilities | 142,073 | 64,025 |
| Current tax liabilities | 207,186 | - |
| Bank borrowings | 15,827,518 | 25,091,524 |
| Debt securities in issue | 64,586,343 | 64,539,514 |
| Deferred tax liabilities | 1,014,112 | 1,123,704 |
| Other unallocated amounts | 904,310 | 386,361 |
| | 248,204,615 | 248,964,732 |

Premier Capital p.l.c.
Notes to the Condensed Interim Financial Statements (Continued)
for the period ended 30 June 2022



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 2022 Eur | Greece 2022 Eur | Latvia 2022 Eur | Lithuania 2022 Eur | Malta 2022 Eur | Romania 2022 Eur | Total 2022 Eur | Unallocated 2022 Eur | Eliminations and adjustments 2022 Eur | Consolidated 2022 Eur |
|-------------------------------|------------------------|-----------------------|-----------------------|--------------------------|----------------------|------------------------|----------------------|----------------------------|---|-----------------------------|
| Revenue | 14,276,973 | 34,279,829 | 16,709,894 | 23,231,046 | 14,452,916 | 136,593,343 | 239,544,001 | - | - | 239,544,001 |
| Profit/(loss) before tax | 1,152,685 | 394,177 | 1,467,238 | 2,431,200 | 713,436 | 15,456,206 | 21,614,942 | (4,111,169) | - | 17,503,773 |
| Depreciation and amortisation | 497,030 | 2,649,524 | 1,054,482 | 1,228,218 | 1,211,024 | 5,829,657 | 12,469,935 | 331,497 | 4,238 | 12,805,670 |
| Segment assets | 12,160,589 | 53,624,157 | 25,669,773 | 29,783,633 | 18,350,835 | 136,330,402 | 275,919,389 | 88,378,624 | (36,723,062) | 327,574,951 |
| Right of use assets | 2,231,757 | 29,112,065 | 12,132,728 | 14,842,690 | 10,323,207 | 37,979,251 | 106,621,698 | 324,608 | - | 106,946,306 |
| Property, plant and equipment | 3,662,564 | 17,734,549 | 5,500,950 | 8,417,804 | 4,401,619 | 64,401,723 | 104,119,209 | 26,430 | (175,000) | 103,970,639 |
| Intangible assets | 49,360 | 452,949 | 318,247 | 397,618 | 287,998 | 1,266,365 | 2,772,537 | 3,354,245 | 46,637 | 6,173,419 |
| Capital expenditure | 786,347 | 3,293,360 | 579,066 | 332,776 | 1,864,291 | 5,255,072 | 12,110,912 | 12,174 | - | 12,123,086 |
| Segment liabilities | 5,115,360 | 41,912,211 | 18,848,130 | 19,257,522 | 15,651,049 | 62,076,522 | 162,860,794 | 85,529,361 | (185,540) | 248,204,615 |
| Lease liabilities | 2,378,573 | 30,666,324 | 12,969,946 | 15,785,430 | 10,801,861 | 40,827,863 | 113,429,997 | 344,263 | - | 113,774,260 |
| Income tax credit/(expense) | - | (117,481) | - | (429,080) | (299,643) | (357,026) | (1,203,230) | 100,472 | (732,021) | (1,834,779) |

Premier Capital p.l.c.
Notes to the Condensed Interim Financial Statements (Continued)
for the period ended 30 June 2022



4. Segmental reporting (continued)

| | Estonia 2021 Eur | Greece 2021 Eur | Latvia 2021 Eur | Lithuania 2021 Eur | Malta 2021 Eur | Romania 2021 Eur | Total 2021 Eur | Unallocated 2021 Eur | Eliminations and adjustments 2021 Eur | Consolidated 2021 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 | 10,901,627 | 49,739,323 | 30,098,226 | 28,155,618 | 20,716,978 | 121,609,857 | 261,221,629 | 93,318,102 | (36,865,110) | 317,674,621 |
| Right of use assets | 2,380,434 | 27,795,676 | 12,287,029 | 15,139,276 | 10,192,658 | 37,578,786 | 105,373,859 | 346,508 | - | 105,720,367 |
| Property, plant and equipment | 3,208,319 | 15,840,434 | 5,401,124 | 8,788,819 | 3,077,587 | 62,594,670 | 98,910,953 | 21,338 | (175,000) | 98,757,291 |
| Intangible assets | 55,649 | 466,036 | 368,621 | 422,442 | 309,623 | 1,489,086 | 3,111,457 | 3,659,183 | 50,875 | 6,821,515 |
| Capital expenditure | 552,939 | 4,775,020 | 615,435 | 790,270 | 1,020,340 | 12,002,378 | 19,756,382 | 13,672 | - | 19,770,054 |
| Segment liabilities | 5,009,084 | 37,904,074 | 18,131,680 | 19,631,626 | 14,870,110 | 60,359,207 | 155,905,781 | 93,177,393 | (118,442) | 248,964,732 |
| Lease liabilities | 2,514,607 | 29,001,082 | 13,040,648 | 15,957,209 | 10,718,395 | 40,277,685 | 111,509,626 | 364,049 | - | 111,873,675 |
| Income tax credit/(expense) | - | (304,433) | (7,801) | (210,887) | (200,744) | (402,903) | (1,126,768) | 34,164 | (566,659) | (1,659,263) |

5. Goodwill

| | Eur |
|--|--------------------------|
| Cost and Carrying amount | |
| At 01.01.2021 | 25,066,474 |
| Difference on exchange on foreign operations | <u>(134,787)</u> |
| At 31.12.2021 | 24,931,687 |
| Difference on exchange on foreign operations | <u>4,553</u> |
| At 30.06.2022 | <u>24,936,240</u> |

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 2022 amounting to *Eur24,936,240* (December 2021 – *Eur24,931,687*) 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 2021.

6. Dividends

Group and Holding Company

In the current half year, a net interim dividend of *Eur5,000,000* (*Eur14.85c* per ordinary share) (period up to June 2021: *Eur7,500,000* (*Eur22.27c* per ordinary share); December 2021 – *Eur17,850,000* (*Eur53.01c* 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 |
|-----------------------------|---------------------------------------|-----------------------------|--|-----------------------------|------------------|
| Cost | | | | | |
| At 01.01.2021 | 12,366,964 | 2,807,482 | 4,324,800 | 26,721 | 19,525,967 |
| Additions | - | 404,907 | 78,134 | - | 483,041 |
| Disposals | - | (16,885) | - | - | (16,885) |
| Transfers | - | 23,316 | - | (19,500) | 3,816 |
| Exchange differences | - | (25,713) | (38,856) | (195) | (64,764) |
| At 31.12.2021 | 12,366,964 | 3,193,107 | 4,364,078 | 7,026 | 19,931,175 |
| Additions | - | 26,549 | 23,523 | - | 50,072 |
| Disposals | - | (31,364) | (22,657) | - | (54,021) |
| Exchange differences | - | 904 | 1,313 | 7 | 2,224 |
| At 30.06.2022 | 12,366,964 | 3,189,196 | 4,366,257 | 7,033 | 19,929,450 |
| Amortisation | | | | | |
| At 01.01.2021 | 8,038,554 | 1,689,969 | 2,048,257 | 770 | 11,777,550 |
| Amortisation for the year | 618,351 | 464,762 | 301,714 | 252 | 1,385,079 |
| Released on disposal | - | (16,885) | - | - | (16,885) |
| Transfers | - | 904 | - | - | 904 |
| Exchange differences | - | (16,787) | (20,108) | (93) | (36,988) |
| At 31.12.2021 | 8,656,905 | 2,121,963 | 2,329,863 | 929 | 13,109,660 |
| Amortisation for the period | 309,176 | 237,277 | 152,516 | 2 | 698,971 |
| Released on disposal | - | (31,363) | (22,657) | - | (54,020) |
| Exchange differences | - | 655 | 760 | 5 | 1,420 |
| At 30.06.2022 | 8,966,081 | 2,328,532 | 2,460,482 | 936 | 13,756,031 |
| Carrying amount | | | | | |
| At 31.12.2021 | 3,710,059 | 1,071,144 | 2,034,215 | 6,097 | 6,821,515 |
| At 30.06.2022 | 3,400,883 | 860,664 | 1,905,775 | 6,097 | 6,173,419 |

7. Intangible assets (continued)
Holding Company

| | Support services licence Eur | Computer Software Eur | Total Eur |
|---|---------------------------------------|-----------------------------|------------------|
| Cost | | | |
| At 01.01.2021 / 31.12.2021 / 30.06.2022 | 12,197,438 | 190,939 | 12,388,377 |
| Amortisation | | | |
| At 01.01.2021 | 7,928,379 | 190,939 | 8,119,318 |
| Amortisation for the year | 609,876 | - | 609,876 |
| At 31.12.2021 | 8,538,255 | 190,939 | 8,729,194 |
| Amortisation for the period | 304,938 | - | 304,938 |
| At 30.06.2022 | 8,843,193 | 190,939 | 9,034,132 |
| Carrying amount | | | |
| At 31.12.2021 | 3,659,183 | - | 3,659,183 |
| At 30.06.2022 | 3,354,245 | - | 3,354,245 |

Premier Capital p.l.c.
Notes to the Condensed Interim Financial Statements (Continued)
for the period ended 30 June 2022



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 |
|---|------------------------------|------------------------------------|--------------------------|-------------------------------|---------------------------|--------------------|
| Cost | | | | | | |
| At 01.01.2021 | 61,283,609 | 30,162,662 | 1,063,437 | 64,483,597 | 14,115,275 | 171,108,580 |
| Additions | 2,306,251 | 5,925,509 | 1,975 | 10,043,420 | 1,009,858 | 19,287,013 |
| Disposals | (38,173) | (403,962) | (178,301) | (3,300,476) | (602,232) | (4,523,144) |
| Reclassification between asset categories | (3,233,332) | 1,681,383 | 14,598 | (4,305,918) | 5,843,269 | - |
| Transfers | - | (576,165) | - | 265,325 | 307,024 | (3,816) |
| Exchange differences | (594,658) | (143,989) | (19,408) | (715,227) | (8,729) | (1,482,011) |
| At 31.12.2021 | 59,723,697 | 36,645,438 | 882,301 | 66,470,721 | 20,664,465 | 184,386,622 |
| Additions | 463,340 | 4,327,786 | - | 5,501,364 | 1,780,524 | 12,073,014 |
| Disposals | (62,875) | (1,081,422) | (89,015) | (1,099,411) | (1,259,615) | (3,592,338) |
| Transfers | 1,310 | (98,283) | - | 10,202 | 86,771 | - |
| Exchange differences | 20,850 | 6,169 | 593 | 25,761 | 295 | 53,668 |
| At 30.06.2022 | 60,146,322 | 39,799,688 | 793,879 | 70,908,637 | 21,272,440 | 192,920,966 |
| Accumulated depreciation | | | | | | |
| At 01.01.2021 | 21,030,933 | 11,375,744 | 463,236 | 31,629,215 | 12,726,130 | 77,225,258 |
| Charge for the year | 2,386,451 | 2,269,781 | 213,048 | 6,223,103 | 1,964,521 | 13,056,904 |
| Released on disposal | (16,202) | (384,124) | (164,007) | (3,043,903) | (563,789) | (4,172,025) |
| Transfers | - | - | - | 10,663 | (11,567) | (904) |
| Impairment | - | 63,275 | - | 133,482 | - | 196,757 |
| Reversal of impairment | - | - | - | (150,855) | - | (150,855) |
| Exchange differences | (80,385) | (16,648) | (10,980) | (411,889) | (5,902) | (525,804) |
| At 31.12.2021 | 23,320,797 | 13,308,028 | 501,297 | 34,389,816 | 14,109,393 | 85,629,331 |
| Charge for the period | 1,196,256 | 1,261,468 | 87,501 | 3,373,352 | 843,959 | 6,762,536 |
| Released on disposal | (10,840) | (1,067,395) | (88,794) | (1,067,912) | (1,225,815) | (3,460,756) |
| Exchange differences | 3,447 | 892 | 392 | 14,286 | 199 | 19,216 |
| At 30.06.2022 | 24,509,660 | 13,502,993 | 500,396 | 36,709,542 | 13,727,736 | 88,950,327 |
| Carrying amount | | | | | | |
| At 31.12.2021 | 36,402,900 | 23,337,410 | 381,004 | 32,080,905 | 6,555,072 | 98,757,291 |
| At 30.06.2022 | 35,636,662 | 26,296,695 | 293,483 | 34,199,095 | 7,544,704 | 103,970,639 |

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

| | Furniture, fixtures and other equipment Eur |
|---------------------------------|---|
| Cost | |
| At 01.01.2021 | 186,537 |
| Additions | 13,672 |
| Disposals | (3,634) |
| At 31.12.2021 | 196,575 |
| Additions | 12,174 |
| Disposals | (8,328) |
| At 30.06.2022 | 200,421 |
| Accumulated depreciation | |
| At 01.01.2021 | 166,514 |
| Charge for the year | 9,527 |
| Released on disposal | (804) |
| At 31.12.2021 | 175,237 |
| Charge for the period | 4,661 |
| Released on disposal | (5,907) |
| At 30.06.2022 | 173,991 |
| Carrying amount | |
| At 31.12.2021 | 21,338 |
| At 30.06.2022 | 26,430 |

9. Right of use assets
Group

| | Buildings Eur | Motor vehicles Eur | Total Eur |
|-----------------------------|------------------|--------------------------|--------------|
| Cost | | | |
| At 01.01.2021 | 105,619,021 | 678,622 | 106,297,643 |
| Additions | 28,062,843 | 267,533 | 28,330,376 |
| Disposals | (3,570,924) | (32,618) | (3,603,542) |
| Remeasurement | 530,388 | - | 530,388 |
| Exchange differences | (647,515) | (904) | (648,419) |
| At 31.12.2021 | 129,993,813 | 912,633 | 130,906,446 |
| Additions | 5,889,888 | 45,978 | 5,935,866 |
| Disposals | (466,032) | - | (466,032) |
| Remeasurement | 613,697 | - | 613,697 |
| Exchange differences | 26,080 | 87 | 26,167 |
| At 30.06.2022 | 136,057,446 | 958,698 | 137,016,144 |
| Amortisation | | | |
| At 01.01.2021 | 18,069,913 | 340,751 | 18,410,664 |
| Amortisation for the year | 9,903,835 | 205,617 | 10,109,452 |
| Released on disposal | (3,297,961) | (32,618) | (3,330,579) |
| Impairment | 125,535 | - | 125,535 |
| Exchange differences | (128,914) | (79) | (128,993) |
| At 31.12.2021 | 24,672,408 | 513,671 | 25,186,079 |
| Amortisation for the period | 5,226,640 | 117,523 | 5,344,163 |
| Released on disposal | (466,060) | - | (466,060) |
| Exchange differences | 5,647 | 9 | 5,656 |
| At 30.06.2022 | 29,438,635 | 631,203 | 30,069,838 |
| Carrying amount | | | |
| At 31.12.2021 | 105,321,405 | 398,962 | 105,720,367 |
| At 30.06.2022 | 106,618,811 | 327,495 | 106,946,306 |

9. Right of use assets (continued)
Holding Company

| | Buildings Eur | Motor vehicles Eur | Total Eur |
|-----------------------------|-----------------------|--------------------------|-----------------------|
| Cost | | | |
| At 01.01.2021 | 393,021 | 11,709 | 404,730 |
| Additions | 60,956 | 7,072 | 68,028 |
| At 31.12.2021 / 31.12.2022 | <u>453,977</u> | <u>18,781</u> | <u>472,758</u> |
| Amortisation | | | |
| At 01.01.2021 | 69,360 | 10,805 | 80,165 |
| Amortisation for the year | 39,291 | 6,794 | 46,085 |
| At 31.12.2021 | <u>108,651</u> | <u>17,599</u> | <u>126,250</u> |
| Amortisation for the period | 20,718 | 1,182 | 21,900 |
| At 30.06.2022 | <u>129,369</u> | <u>18,781</u> | <u>148,150</u> |
| Carrying amount | | | |
| At 31.12.2021 | <u>345,326</u> | <u>1,182</u> | <u>346,508</u> |
| At 30.06.2022 | <u>324,608</u> | <u>-</u> | <u>324,608</u> |

10. Trade and other receivables

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

| | Group | | Holding Company | |
|----------------------------------|-------------------------|------------------|-------------------------|------------------|
| | 30 June 2022 | 31 December 2021 | 30 June 2022 | 31 December 2021 |
| | Unaudited Eur | Audited Eur | Unaudited Eur | Audited Eur |
| Trade receivables | 838,083 | 829,289 | - | - |
| Other receivables | 4,348,735 | 5,001,273 | 516,920 | 429,747 |
| Amounts due from related parties | 15,176 | 24,496 | 1,213 | - |
| Amounts due from subsidiaries | - | - | 3,120,976 | 2,472,318 |
| Prepayments and accrued income | 1,556,255 | 1,826,871 | 164,709 | 181,556 |
| | <u>6,758,249</u> | <u>7,681,929</u> | <u>3,803,818</u> | <u>3,083,621</u> |

11. Trade and other payables

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

| | Group | | Holding Company | |
|------------------------------|-------------------|-------------------|------------------|------------------|
| | 30 June 2022 | 31 December 2021 | 30 June 2022 | 31 December 2021 |
| | Unaudited | Audited | Unaudited | Audited |
| | Eur | Eur | Eur | Eur |
| Trade payables | 13,787,061 | 19,211,574 | 312,230 | 186,550 |
| Other payables | 8,787,400 | 5,112,166 | 53,055 | 59,752 |
| Social security liabilities | 3,693,322 | 3,402,364 | 19,774 | 27,598 |
| VAT and other liabilities | 4,020,647 | 2,736,305 | - | - |
| Accruals and deferred income | 19,391,255 | 14,095,298 | 2,462,760 | 1,698,365 |
| | 49,679,685 | 44,557,707 | 2,847,819 | 1,972,265 |

12. Borrowings

Group

During 2017, a bank facility was granted by BRD – SG to Premier Restaurants Romania Srl. The loan was denominated in local currency RON and was fully paid up in January 2022 (December 2021 – *Eur1,146,693*). The facility had a term of five years and bore an interest rate of 3-month ROBOR +2.75%. The loan was 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 2022 amounted to *Eur11,677,518* (December 2021 - *Eur12,782,685*). 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 had a term of five years and bore an interest rate of 1-month Euribor +2.5%. The loan was secured by a pledge agreement between the bank and the Baltic subsidiaries together with pledges over the entities' immovable and movable property. In March 2022, the balance on the loan was fully paid up (December 2021 – *Eur6,612,146*).

In 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 *Eur1,750,000* (December 2021 – *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

In 2020, another facility was granted to Premier Capital Hellas S.A. by Eurobank S.A. with a balance of *Eur900,000* as at 30 June 2022 (December 2021 – *Eur1,050,000*). 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.

In 2021, Premier Capital Hellas S.A. was granted another loan by Eurobank S.A. for working capital and capital expenditure requirements with a balance of *Eur1,500,000* as at 30 June 2022 (December 2021 – *Eur1,500,000*). The facility has a term of five years and bears interest at 3-month Euribor +3% . The loan is secured by a pledge over the subsidiary immovable property.

Premier Restaurants Malta Limited has an unutilised overdraft facility with a limit of *Eur1,000,000* (December 2021 – *Eur1,000,000*) and bearing interest at 250 basis point over the bank's base rate, presently 2.35% (December 2021 – 2.35%) per annum.

As at 30 June 2022, 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 |
|---|---|------------------------------|-------------------------|--------------------|
| At 30 June 2022 | | | | |
| Non-derivative financial liabilities | | | | |
| Non-interest bearing | 49,821,758 | - | - | 49,821,758 |
| Variable rate instruments | 3,722,778 | 12,784,261 | 559,010 | 17,066,049 |
| Fixed rate instruments | 2,437,500 | 72,312,500 | - | 74,750,000 |
| | 55,982,036 | 85,096,761 | 559,010 | 141,637,807 |
| At 31 December 2021 | | | | |
| Non-derivative financial liabilities | | | | |
| Non-interest bearing | 44,621,732 | - | - | 44,621,732 |
| Variable rate instruments | 6,248,498 | 18,906,641 | 1,689,331 | 26,844,470 |
| Fixed rate instruments | 2,437,500 | 7,312,500 | 67,183,733 | 76,933,733 |
| Derivative financial liabilities | - | 76,036 | - | 76,036 |
| | 53,307,730 | 26,295,177 | 68,873,064 | 148,475,971 |

12. Borrowings (continued)

Holding company

| | On demand or within 1 year Eur | Within 2 - 5 years Eur | After 5 years Eur | Total Eur |
|---|---|------------------------------|-------------------------|-------------------|
| At 30 June 2022 | | | | |
| <i>Non-derivative financial liabilities</i> | | | | |
| Non-interest bearing | 3,249,450 | - | - | 3,249,450 |
| Fixed rate instruments | 13,225,532 | 72,312,500 | - | 85,538,032 |
| | 16,474,982 | 72,312,500 | - | 88,787,482 |
| At 31 December 2021 | | | | |
| <i>Non-derivative financial liabilities</i> | | | | |
| Non-interest bearing | 2,632,730 | - | - | 2,632,730 |
| Fixed rate instruments | 17,263,636 | 7,312,500 | 67,183,733 | 91,759,869 |
| | 19,896,366 | 7,312,500 | 67,183,733 | 94,392,599 |

13. Lease liabilities

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

| | Group 31 December 2021 | | Holding Company 31 December 2021 | |
|---------------------------------|------------------------------|--------------------|--|----------------|
| 30 June 2022 | Group 31 December 2021 | 30 June 2022 | Holding Company 31 December 2021 | |
| Unaudited | Audited | Unaudited | Audited | |
| Eur | Eur | Eur | Eur | |
| Lease liabilities (current) | 8,531,335 | 8,663,431 | 38,286 | 38,741 |
| Lease liabilities (non-current) | 105,242,925 | 103,210,244 | 305,977 | 325,308 |
| | 113,774,260 | 111,873,675 | 344,263 | 364,049 |

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 2022 were as follows:

| | Minimum lease payments due | | | Total Eur |
|----------------------------|----------------------------|------------------------------|-------------------------|--------------------|
| | Within 1 year Eur | Within 2 - 5 years Eur | After 5 years Eur | |
| At 30 June 2022 | | | | |
| Lease payments | 12,631,300 | 49,377,347 | 97,636,946 | 159,645,593 |
| Finance charges | (4,099,965) | (14,157,883) | (27,613,485) | (45,871,333) |
| Net present values | 8,531,335 | 35,219,464 | 70,023,461 | 113,774,260 |
| At 31 December 2021 | | | | |
| Lease payments | 12,917,930 | 48,111,802 | 94,920,748 | 155,950,480 |
| Finance charges | (4,254,499) | (14,133,034) | (25,689,272) | (44,076,805) |
| Net present values | 8,663,431 | 33,978,768 | 69,231,476 | 111,873,675 |

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 2022 were as follows:

| | Minimum lease payments due | | | Total Eur |
|----------------------------|----------------------------|------------------------------|-------------------------|----------------|
| | Within 1 year Eur | Within 2 - 5 years Eur | After 5 years Eur | |
| At 30 June 2022 | | | | |
| Lease payments | 50,964 | 203,856 | 144,398 | 399,218 |
| Finance charges | (12,678) | (34,762) | (7,515) | (54,955) |
| Net present values | 38,286 | 169,094 | 136,883 | 344,263 |
| At 31 December 2021 | | | | |
| Lease payments | 52,164 | 203,860 | 169,880 | 425,904 |
| Finance charges | (13,423) | (38,051) | (10,381) | (61,855) |
| Net present values | 38,741 | 165,809 | 159,499 | 364,049 |

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:

| | 30 June 2022 | Group 31 December 2021 | 30 June 2022 | Holding Company 31 December 2021 |
|-----------------------------------|---------------------|-------------------------------------|---------------------|---|
| | Unaudited | Audited | Unaudited | Audited |
| | Eur | Eur | Eur | Eur |
| Short-term leases | - | 76,087 | - | - |
| Leases of low value assets | 12,414 | 11,943 | - | - |
| Covid-19 related rent concessions | (7,623) | (1,587,846) | - | - |
| Variable lease payments | 3,562,082 | 5,122,213 | - | - |
| | 3,566,873 | 3,622,397 | - | - |

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 *Eur7,623* (December 2021 - *Eur1,587,846*). 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 2022 amounted to *Eur65,650,000* (December 2021 – *Eur66,430,000*).

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

| | 2022 | | | 2021 | | |
|---|------------------------|--------------------|------------|------------------------|----------------|-----|
| | Related party activity | Total activity | % | Related party activity | Total activity | % |
| | Unaudited | Unaudited | | Unaudited | Unaudited | |
| | Eur | Eur | | Eur | Eur | |
| Cost of sales: | | | | | | |
| <i>Related party transactions with:</i> | | | | | | |
| Related parties | 763,791 | 190,710,413 | 0% | 993,106 | 144,469,139 | 1% |
| Administrative expenses: | | | | | | |
| <i>Related party transactions with:</i> | | | | | | |
| Ultimate parent | 500,000 | | | 500,000 | | |
| Related parties | 58,954 | | | 54,896 | | |
| Key management personnel | 646,538 | | | 418,310 | | |
| | 1,205,492 | 13,638,872 | 9% | 973,206 | 10,762,330 | 9% |
| Investment income: | | | | | | |
| <i>Related party transactions with:</i> | | | | | | |
| Ultimate parent | 419,343 | | | 236,442 | | |
| Other related parties | 11,835 | | | 232,962 | | |
| | 431,178 | 980,273 | 44% | 469,404 | 549,821 | 85% |
| Finance costs: | | | | | | |
| <i>Related party transactions with:</i> | | | | | | |
| Ultimate parent | - | | | 7,431 | | |
| Related parties | 335,224 | | | 397,254 | | |
| | 335,224 | 3,991,776 | 8% | 404,685 | 3,680,991 | 11% |

15. Related party transactions (continued)
Holding Company

| | 2022 | | | 2021 | | |
|---|------------------------|------------------|-------------|------------------------|----------------|------|
| | Related party activity | Total activity | % | Related party activity | Total activity | % |
| | Unaudited | Unaudited | | Unaudited | Unaudited | |
| | Eur | Eur | | Eur | Eur | |
| Revenue: | | | | | | |
| <i>Related party transactions with:</i> | | | | | | |
| Subsidiaries | 546,000 | 546,000 | 100% | 546,000 | 546,000 | 100% |
| Administrative expenses: | | | | | | |
| <i>Related party transactions with:</i> | | | | | | |
| Ultimate parent | 500,000 | | | 500,000 | | |
| Related parties | 30,178 | | | 22,944 | | |
| Key management personnel | 646,538 | | | 418,310 | | |
| | 1,176,716 | 3,566,929 | 33% | 941,254 | 2,798,246 | 34% |
| Investment income: | | | | | | |
| <i>Related party transactions with:</i> | | | | | | |
| Subsidiaries | 4,793,509 | | | 649,298 | | |
| Ultimate parent | 385,343 | | | 236,442 | | |
| Related parties | 11,835 | | | 232,962 | | |
| | 5,190,687 | 5,208,482 | 100% | 1,118,702 | 1,133,676 | 99% |
| Finance costs: | | | | | | |
| <i>Related party transactions with:</i> | | | | | | |
| Subsidiaries | 88,419 | | | 98,419 | | |
| Ultimate parent | - | | | 7,431 | | |
| Related parties | 6,894 | | | 6,591 | | |
| | 95,313 | 1,564,070 | 6% | 112,441 | 1,395,927 | 8% |

16. Contingent liabilities

Certain subsidiaries of the group, have guaranteed the amount of *Eur20,723,825* (December 2021 – *Eur20,723,825*) in favour of related companies in connection with bank facilities of the respective related company.

17. Fair value of financial assets and financial liabilities

At 30 June 2022 and 31 December 2021, 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 | |
| Financial assets | | | | |
| Local listed debt and equity instruments | 1,049,515 | - | - | 1,049,515 |
| Derivative financial instruments | - | 152,621 | - | 152,621 |
| As at 31.12.2021 | 1,049,515 | 152,621 | - | 1,202,136 |
| Local listed debt and equity instruments | 1,009,587 | - | - | 1,009,587 |
| Derivative financial instruments | - | 583,810 | - | 583,810 |
| As at 30.06.2022 | 1,009,587 | 583,810 | - | 1,593,397 |
| Financial liabilities | | | | |
| Derivative financial instruments | - | 76,036 | - | 76,036 |
| As at 31.12.2021 | - | 76,036 | - | 76,036 |
| As at 30.06.2022 | - | - | - | - |

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

| | Level 1 | Level 2 | Level 3 | Total | Carrying amount |
|--|------------|------------|------------|-------------|-----------------|
| | Eur | Eur | Eur | Eur | Eur |
| Financial assets | | | | | |
| <i>Loans and receivables</i> | | | | | |
| Trade and other receivables | - | 5,855,058 | - | 5,855,058 | 5,855,058 |
| Receivables from related parties | - | 478,647 | - | 478,647 | 478,647 |
| Receivables from ultimate parent | - | 20,219,163 | 11,345,630 | 31,564,793 | 31,564,793 |
| As at 31.12.2021 | - | 26,552,868 | 11,345,630 | 37,898,498 | 37,898,498 |
| Trade and other receivables | - | 5,201,994 | - | 5,201,994 | 5,201,994 |
| Receivables from ultimate parent | - | 42,263 | 11,345,630 | 11,387,893 | 11,387,893 |
| As at 30.06.2022 | - | 5,244,257 | 11,345,630 | 16,589,887 | 16,589,887 |
| Financial liabilities | | | | | |
| <i>Financial liabilities at amortised cost</i> | | | | | |
| Trade and other payables | - | 38,419,038 | - | 38,419,038 | 38,419,038 |
| Amounts due to other related parties | - | 33,724 | - | 33,724 | 33,724 |
| Amounts due to ultimate parent | - | 30,301 | - | 30,301 | 30,301 |
| Borrowings | - | 25,091,524 | - | 25,091,524 | 25,091,524 |
| Debt securities | 66,430,000 | - | - | 66,430,000 | 64,539,514 |
| As at 31.12.2021 | 66,430,000 | 63,574,587 | - | 130,004,587 | 128,114,101 |
| Trade and other payables | - | 41,965,716 | - | 41,965,716 | 41,965,716 |
| Amounts due to ultimate parent | - | 5,769 | - | 5,769 | 5,769 |
| Amounts due to related parties | - | 136,304 | - | 136,304 | 136,304 |
| Borrowings | - | 15,827,518 | - | 15,827,518 | 15,827,518 |
| Debt securities | 65,650,000 | - | - | 65,650,000 | 64,586,343 |
| As at 30.06.2022 | 65,650,000 | 57,935,307 | - | 123,585,307 | 122,521,650 |

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

| | Level 1 | Level 2 | Level 3 | Total | Carrying |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Eur | Eur | Eur | Eur | amount |
| | | | | | Eur |
| Financial assets | | | | | |
| <i>Loans and receivables</i> | | | | | |
| Receivables from subsidiaries | - | 22,332,575 | 4,827,495 | 27,160,070 | 27,160,070 |
| Receivables from ultimate parent | - | 16,202,663 | 11,345,630 | 27,548,293 | 27,548,293 |
| Receivables from related parties | - | 528,760 | - | 528,760 | 528,760 |
| As at 31.12.2021 | - | 39,063,998 | 16,173,125 | 55,237,123 | 55,237,123 |
| Receivables from subsidiaries | - | 23,519,939 | 4,827,495 | 28,347,434 | 28,347,434 |
| Receivables from ultimate parent | - | 42,263 | 11,345,630 | 11,387,893 | 11,387,893 |
| As at 30.06.2022 | - | 23,562,202 | 16,173,125 | 39,735,327 | 39,735,327 |
| Financial liabilities | | | | | |
| <i>Financial liabilities at amortised cost</i> | | | | | |
| Amounts due to ultimate parent | - | 30,301 | - | 30,301 | 30,301 |
| Amounts due to subsidiaries | - | 15,180,807 | - | 15,180,807 | 15,180,807 |
| Debt securities | 66,430,000 | - | - | 66,430,000 | 64,539,514 |
| As at 31.12.2021 | 66,430,000 | 15,211,108 | - | 81,641,108 | 79,750,622 |
| Amounts due to ultimate parent | - | 5,769 | - | 5,769 | 5,769 |
| Amounts due to subsidiaries | - | 10,946,505 | - | 10,946,505 | 10,946,505 |
| Debt securities | 65,650,000 | - | - | 65,650,000 | 64,586,343 |
| As at 30.06.2022 | 65,650,000 | 10,952,274 | - | 76,602,274 | 75,538,617 |

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 2022, 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 Capital Markets Rules 5.81 to 5.84.

Approved by the Board of Directors on 30 August 2022 and signed on its behalf by:



Mr Carmelo (*sive Melo*) Hili
Chairman



Mr Victor Tedesco
Director