



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

**COMPANY ANNOUNCEMENT**

The following is a Company Announcement issued by the Company pursuant to the Capital Markets Rules of the Malta Financial Services Authority

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**Publication of Interim Financial Statements**

*QUOTE*

The Company announces that, the Board of Directors has approved the Company's Half-Yearly Report for the period ended 30 June 2023 required in terms of the Capital Markets Rules. A copy of the Report is attached herewith and is available for download on <http://centralbusinesscentres.com/Investors/Annual-Reports>.

*UNQUOTE*

**BY ORDER OF THE BOARD**

A handwritten signature in blue ink, appearing to be 'K Cachia', written over a horizontal line.

Dr Katia Cachia  
Company Secretary  
21 July 2023

Company Registration No.: C 65702

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

**Condensed Interim Financial Statements  
for the period 1 January 2023 to 30 June 2023**

**CENTRAL BUSINESS CENTRES p.l.c.**  
**Condensed Interim Financial Statements - 30 June 2023**

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**CENTRAL BUSINESS CENTRES p.l.c.**  
**Condensed Interim Financial Statements - 30 June 2023**

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**INTERIM DIRECTORS' REPORT**

This interim report is published in terms of the Malta Financial Services Authority Capital Markets Rule Chapter 5 and the Prevention of Financial Markets Abuse Act 2005. The underlying accounting policies are the same as those adopted by Central Business Centres p.l.c. (the "Company") in its published annual report for the year ended 31 December 2022. The interim financial information included in this report has been extracted from the Company's unaudited accounts for the six months ended 30 June 2023, as approved by the Board of Directors on 21 July 2023 and are prepared in accordance with IAS 34 *Interim Financial Reporting*.

**Principal activities**

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

**Results and dividends**

The financial results are set out in the condensed interim statement of comprehensive income on page 6. On 02 June 2023, the directors declared a net dividend of €2,500 (2022: €nil).

**Review of the business**

The Company had various agreements for the lease of office, retail, warehousing and car spaces as applicable in the Central Business Centre Zebbug, Central Business Centre Gudja, Central Business Centre St. Julians, and Central Business Centre Valletta. During the period under review, the Central Business Centre Zebbug and Central Business Centre Gudja were operating at full capacity, the Central Business Centre St. Julians was operating at 67% capacity and Central Business Centre Valletta was operating at 27% capacity.

The profit for the period of €178,704 (2022: €295,358) is net of finance costs of €611,449 (2022: €611,150) which have been expensed during the year, and which relate to the apportionment of interest on Bonds in issue.

The Company's financial position at 30 June 2023 is set out on page 7. Management involvement in monitoring of restoration and development of the villa, together with the renovations of The Savoy, remain very close to ensure that costs are kept under scrutiny and for the property to align to the high-end specifications of Business Centres developed by the Company.

The Directors have assessed that the carrying value of the investment property as at 30 June 2023 is reasonable and not subject to indications of impairment. In the event that general economic conditions and property market conditions experience a downturn, this may have an adverse impact on the fair value of the Company's Investment Property. The directors have no intention of disposing of this property in the foreseeable future.

The main liability in the condensed interim statement of financial position relates to the €30 million (2022: €30 million) Bond in issue.

**Directors**

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

Mr. Joseph Cortis  
Dr. Petramay Attard Cortis  
Ms. Adriana Cutajar  
Mr. Joseph M Formosa  
Mr. Alfred Sladden  
Ms. Crystielle Farrugia Cortis (appointed on 27 May 2022)

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

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

**Going concern statement pursuant to Capital Markets Rule 23 5.62**

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

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

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

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

Based on the outcome of cash flow projections prepared by the Company which factor possible strain on rental streams and occupancy driven the cost of living increases, the directors and senior management consider the going concern assumption in the preparation of the Company's financial statements as appropriate as at the date of the authorisation for issue of the 2023 Interim financial statements. They also believe that no material uncertainty that may cast significant doubt about the Company's ability to continue honouring liabilities as and when they fall due and to continue operating as a going concern for the next twelve months exist as at that date.

**Risks associated with the property market**

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

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

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

**Share capital structure**

The Company's authorised and issued share capital amounts to €250,000 divided into 250,000 Ordinary shares of €1 each. The share capital consists of one class of ordinary shares with equal voting rights attached. Transfer of shares are restricted within family members.

**CENTRAL BUSINESS CENTRES p.l.c.**  
**Condensed Interim Financial Statements - 30 June 2023**

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**INTERIM DIRECTORS' REPORT - continued**

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

On the basis of the information available to the Company as at 30 June 2023, Petramay Attard Cortis, Eman Cortis and Joelle Cortis each hold 13,890 shares, whereas Jeanelle Bonello Cortis, Claudia Borg, Alexia Camilleri Cortis, Tiziana Cortis, Adriana Cutajar and Crystielle Farrugia Cortis each hold 20,833 shares. The cumulative share of these aforementioned shareholders are equivalent to 67% of the Company's issued share capital. The remaining 33% is also held by members of the Cortis family in individual portion of less than 5%.

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

**Appointment and Replacement of Directors**

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

**Board Members Powers**

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

**Contracts with Board Members and Employees**

The Company has no contract with any of its Board members that include a severance payment clause. The Company had no employees during the period ended 30 June 2023.

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

This report was approved by the Board of Directors and was duly signed on its behalf by:

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

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

Registered office:  
Cortis Buildings  
Mdina Road  
Zebbug ZBG 4211  
Malta

21 July 2023

**CENTRAL BUSINESS CENTRES p.l.c.**  
**Condensed Interim Financial Statements - 30 June 2023**

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**DIRECTORS' STATEMENT PURSUANT TO CAPITAL MARKETS RULE 5.75.3**

We hereby confirm that to the best of our knowledge:

- The condensed interim financial statements give a true and fair view of the financial position of the Company as at 30 June 2023 and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) applicable to interim financial reporting (IAS 34 *Interim Financial Reporting*); and
- The interim directors' report includes a fair review of the information required in terms of Capital Markets Rule 5.81 to 5.84, where applicable.

Signed on behalf of the Board of Directors on 21 July 2023:

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

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

**CENTRAL BUSINESS CENTRES p.l.c.**  
**Condensed Interim Financial Statements - 30 June 2023**

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

	01.01.2023 to 30.06.2023 € (unaudited)	01.01.2022 to 30.06.2022 € (unaudited)
Revenue	878,145	1,029,561
Administrative expenses	(98,849)	(123,222)
<b>Operating profit</b>	<b>779,296</b>	<b>906,339</b>
Finance costs	(611,449)	(611,150)
Finance income	10,857	169
<b>Profit for the period</b>	<b>178,704</b>	<b>295,358</b>
<b>Earnings per share</b>	<b>0.71</b>	<b>1.18</b>

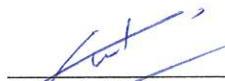
**CENTRAL BUSINESS CENTRES p.l.c.**  
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**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

	As at 30.06.2023 € (unaudited)	As at 31.12.2022 € (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	344,965	301,908
Investment property	57,007,500	57,291,650
	<u>57,352,465</u>	<u>57,593,558</u>
<b>Current assets</b>		
Financial assets at fair value through profit or loss	81,000	81,000
Trade and other receivables	95,819	289,930
Cash and cash equivalents	1,208,143	195,740
	<u>1,384,962</u>	<u>566,670</u>
<b>TOTAL ASSETS</b>	<u>58,737,427</u>	<u>58,160,228</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital reserve</b>		
Share capital	250,000	250,000
Capital reserve	16,100,000	16,100,000
Retained earnings	7,615,298	7,439,094
<b>TOTAL EQUITY</b>	<u>23,965,298</u>	<u>23,789,094</u>
<b>Non-current liabilities</b>		
Borrowings	29,632,565	29,611,882
Deferred tax liabilities	3,922,740	3,922,740
	<u>33,555,305</u>	<u>33,534,622</u>
<b>Current liabilities</b>		
Trade and other payables	1,122,601	756,424
Current tax payable	94,223	80,088
	<u>1,216,824</u>	<u>836,512</u>
<b>TOTAL LIABILITIES</b>	<u>34,772,129</u>	<u>34,371,134</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>58,737,427</u>	<u>58,160,228</u>

The condensed interim financial statements on pages 6 to 14 have been authorised for issue by the Board of Directors on 21 July 2023 and were signed on its behalf by:

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

  
 \_\_\_\_\_  
**Alfred Sladden**  
 Director

**CENTRAL BUSINESS CENTRES p.l.c.**  
**Condensed Interim Financial Statements - 30 June 2023**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

	Share capital €	Capital reserve €	Revaluation reserve €	Retained earnings €	Total €
<b>Financial period ended 30 June 2022</b>					
Balance at 1 January 2022	250,000	16,100,000	9,185,654	(1,924,762)	23,610,892
Total comprehensive income for the period:					
<i>Profit for the financial period</i>	-	-	-	295,358	295,358
Transfer of revaluation surplus on investment property, net of deferred tax	-	-	(9,185,654)	9,185,654	-
<b>Balance at 30 June 2022</b>	<b>250,000</b>	<b>16,100,000</b>	<b>-</b>	<b>7,556,250</b>	<b>23,906,250</b>
<b>Financial period ended 30 June 2023</b>					
Balance at 1 January 2023	250,000	16,100,000	-	7,439,094	23,789,094
Total comprehensive income for the period:					
<i>Profit for the financial period</i>	-	-	-	178,704	178,704
Transaction with owners:					
<i>Dividends declared during the period</i>	-	-	-	(2,500)	(2,500)
<b>Balance at 30 June 2023</b>	<b>250,000</b>	<b>16,100,000</b>	<b>-</b>	<b>7,615,298</b>	<b>23,965,298</b>

**CENTRAL BUSINESS CENTRES p.l.c.**  
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**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

	01.01.2023 to 30.06.2023 € (unaudited)	01.01.2022 to 30.06.2022 € (unaudited)
<b>Cash from operating activities:</b>		
Profit before tax	178,704	295,358
<b>Adjustment for:</b>		
Interest expense and amortisation of bond issue costs	611,449	611,150
Interest income	(10,857)	(169)
Depreciation charge	13,908	13,908
<b>Profit from operations</b>	<b>793,204</b>	<b>920,247</b>
Movements in trade and other receivables	194,111	109,392
Movements in trade and other payables	(171,689)	153,453
<b>Cash from operating activities</b>	<b>815,626</b>	<b>1,183,092</b>
Interest received	10,857	169
<b>Net cash flows generated from operating activities</b>	<b>826,483</b>	<b>1,183,261</b>
<b>Cash flows from investing activities:</b>		
Payments to acquire property, plant and equipment	(56,964)	(22,228)
Payments to acquire investment property	(74,975)	(147,149)
Refund on investment property	398,500	-
<b>Net cash flows generated from/(used in) investing activities</b>	<b>266,561</b>	<b>(169,377)</b>
<b>Cash flows from financing activities:</b>		
Interest paid	(78,141)	(591,375)
Dividends paid	(2,500)	-
<b>Net cash used in financing activities</b>	<b>(80,641)</b>	<b>(591,375)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,012,403</b>	<b>422,509</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>195,740</b>	<b>1,053,035</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,208,143</b>	<b>1,475,544</b>

## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

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

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

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

These condensed interim financial statements were approved for issue by the Board of Directors on 21 July 2023. These financial statements have not been audited nor reviewed by the Company's independent auditors.

The financial statements for the year ended 31 December 2022 are available upon request from the Company's registered office and on the Company's website.

### **2. BASIS OF PREPARATION**

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

#### *Assessment of going concern assumption*

The Company's principal activity is to act as a finance company for the development of various commercial blocks which once completed, will be retained by the Company for rental to third parties for the generation of future rental income streams. In this context, the Company's trading prospects are dependent on the timely development of such properties and on the performance of the related projected rental streams. While the location of such developments is spread over different locations on the island, the Company is exposed to risks of negative economic trends that may, from time to time, impact Malta.

In assessing the going concern assumption, the directors of the Company have made reference to the cash flow forecast of the Company for 2023. The cash flow forecast assumes that the Company will complete the respective developments as planned and generate the required cash flows from its trading activities from property rentals.

Based on the foregoing, the directors believe that it is appropriate to prepare the financial statements on a going concern basis. The financial statements, however, do not include any adjustments in the event that the forecast and assumptions as set out above do not materialise as planned.

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those financial statements.

*Standards, interpretations and amendments to published standards effective in 2023*

During 2023, the Company adopted amendments to existing standards that are mandatory for the Company's accounting period beginning on 1 January 2023. The adoption of these revisions to the requirements of IFRS as adopted by the EU did not result in changes to the Company's accounting policies.

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

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these condensed interim financial statements, that are mandatory for the Company's accounting periods beginning after 1 January 2023. The Company has not early adopted these revisions to the requirements of IFRS as adopted by the EU and the Company's directors are of the opinion that there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

**4. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2022.

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

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

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

*Valuation of investment property*

The Company reviews the valuation of the investment property on an annual basis. In 2021, management determined the fair value of the investment property by referring to the valuation reports prepared by third party qualified valuers. The Company adjusted the book value to its revalued amount and recognised the resultant surplus in the statement of comprehensive income. This will be reassessed for the financial year ended 31 December 2023.

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

**6. SEGMENT INFORMATION**

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

**7. REVALUATION RESERVE**

As at 30 June 2022, the Company transferred its revaluation reserve to retained earnings through the statement of changes in equity to provide reliable and more relevant information on the entity's financial position.

**8. CAPITAL COMMITMENTS**

As at 30 June 2023, the Company's capital commitments amounted to €300,000 (31 December 2022: €300,000).

**9. EARNINGS PER SHARE**

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

	<b>30.06.2023</b>	30.06.2022
	€	€
Earnings per share	<u>0.71</u>	<u>1.18</u>

**CENTRAL BUSINESS CENTRES p.l.c.**  
**Condensed Interim Financial Statements - 30 June 2023**

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

**10. RELATED PARTY TRANSACTIONS**

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

The following transactions were carried out with related parties:

	01.01.2023	01.01.2022
	to	to
	30.06.2023	30.06.2022
	€	€
Maintenance fees	61,996	54,210
Administration and management fees paid	21,238	21,679
Directors' remuneration	7,250	6,210
Chief Executive Officer's fees	15,000	15,000

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

**11. INTEREST BEARING BORROWINGS**

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

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

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

On 7 July 2017, the Company issued a Prospectus for the issue of a 10,000,000 Bond having a nominal value of €1 each. The Bond was issued in two tranches, the first tranche amounting to €6,000,000 was issued on 12 June 2017, and was fully subscribed, while the second tranche of €4,000,000 was not issued.

Interest on the bonds issued as part of the first tranche is payable annually in arrears on 7 July of each year the first payment was made on 7 July 2018. The net proceeds were utilised to acquire the new Zebbug site.

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

**11. INTEREST BEARING BORROWINGS**

On 24 September 2021, the Company issued a Prospectus for the issue of a 210,000 Bond having a nominal value of €100 each. The Bond was issued in one tranche amounting to €21,000,000 on 10 November 2021, and was fully subscribed.

Interest on the bonds issued is payable annually in arrears on 10 November of each year, the first payment was on 10 November 2022. Part of the net proceeds were utilised to acquire the Valletta property.

On May 2022, the Company repurchased and cancelled €15,000 of its 5.25% Unsecured 2025 S2T1 bonds.

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

**12. CONTINGENT LIABILITIES**

As at 30 June 2023, the Company was involved in one ongoing legal claim amounting to less than €120,000 which is being repudiated. The Board of Directors, based on legal advice obtained, does not expect any financial losses to be incurred from such claims, and have consequently not made any provisions in that regard.

Moreover, the Company has provided a guarantee of €35,130 (31 December 2022: €35,130) in favour of a third party.