MELITE FINANCE P.L.C.

Condensed Interim Consolidated Financial Statements 30 June 2021

For the period 1 January 2021 to 30 June 2021

Company Registration Number: C 88405

Directors' report

The directors present their report in terms of Chapter 5 of the Capital Markets Rules issued by the Malta Financial Services Authority ('MFSA'), and in terms of the Prevention of Financial Markets Abuse Act 2005. The underlying accounting policies are the same as those adopted by Melite Finance p.l.c. and its subsidiary (the 'Group') in its published annual report. The published figures have been extracted from the Company's unaudited accounts for the six months ended 30 June 2021, as approved by the Board of Directors on 18 October 2021 and are in accordance with accounting standards as adopted by the EU for interim financial statements, (International Accounting Standard 34, 'Interim Financial Reporting'). In accordance with the terms of Capital Markets Rule 5.75.5, this interim report has not been audited or reviewed by the Group's independent auditors.

The appropriateness of the underlying accounting policies may need to be re-assessed depending on the outcome of the bondholders meeting that has been called on 12 November 2021. As outlined in Section 5 of the Circular to bondholders, the projected operating cash flows of the Group and the committed funding made available to the Group, are not sufficient to service the debt service commitments of the Group in the short to medium term. Therefore, in the event that the bondholders do not approve the proposed reduction in the bond interest coupon, the Directors expect that the basis of preparation of financial information would need to be amended to a break-up basis. These amendments would include revising the carrying value of the intangible assets to a forced sale basis, and that an assessment of contractual obligations would need to be carried out which might result in the consequential recognition of other liabilities which are not yet known or reflected.

Principal activities

The principal activity of the Company, which forms part of the Melite Retail Group, is to act as a finance company by advancing amounts on loan to its subsidiary Melite Properties S.r.l (Melite Properties). The subsidiary holds investment property through its rights to properties which it lets out to related and non-related parties.

The principal activity of the Melite Retail Group is the operation of international retail and franchise networks involving costume jewelry and related fashion accessories. The retail operations of the Group have entered into voluntary administration, and, hence, are no longer in operation.

Review of the business

During the six month period under review, the Revenue for the Group, which was primarily generated from rental operations, amounted to €487,777 (2020: €1,144,059) – net of concessions granted to tenants amounting to €103,069 (2020: €63,485), resulting in a gross loss of €709,353 (2020: gross profit of €31,092). The decrease reflects the closure of outlets during the COVID -19 pandemic that caused disruption to the economic environment in Italy as from the end of February 2020. The Group registered a loss before tax amounting to €1,986,386 (2020: €3,323,611) after taking into consideration impairments in respect of receivables and on the value of leasehold premia of €Nil (2020: €1,317,856) and €704,222 (2020: €1,155,313) respectively, which are other consequences of the COVID -19 pandemic.

The Group's total asset base stands at €21,559,435 (2020: €22,175,674). The main non-current assets comprise right-of-use assets of €19,214,203 (2020: €19,245,756). At 30 June 2021, the Group's current assets amounted to €1,685,116 (2020: €1,723,687) and are mainly represented by trade and other receivables, net of impairment provisions, of €963,555 (2020: €1,183,306) and cash of €721,561 (2020: €540,381). The Group's non-current liabilities amounted to €19,993,555 (2020: €18,581,449) which mainly consist of borrowings of €9,930,727 (2020: €9,914,997) and lease liabilities of €10,062,828 (2020: €8,666,452). The Group's current liabilities amounted to €2,311,075 (2020: €2,270,208) which primarily consist of the current portion of the lease liability of €1,247,380 (2020: €1,396,690) and trade and other payables of €1,063,695 (2020: €873,518).

Directors' report - continued

Business update

As described in the financial statements for the year ended 31 December 2020, both the retail landscape and the commercial real estate landscape in Northern Italy, where the vast majority of the Stores are located, have been subjected to significant and unprecedented disruption as a result of the pandemic. Following the outbreak of COVID-19 in Italy, particularly in Northern Italy where most of the leases held by Melite Properties are situated, all retail outlets in Italy were shut with effect from 10 March 2020. Retail outlets were permitted to re-open as from 18 May 2020 but virtually all of Melite Properties' tenants had elected not to re-open for the major part of the year, in common with many retail outlets across Italy. Further to a spike in the number of positive COVID-19 cases recorded across Italy over the latter months of 2020, the Italian government re-introduced a series of restrictive measures as from early November. Such measures subsisted throughout the month of December and only started to be gradually relaxed in parts of Italy in mid 2021.

Melite Properties' management remains in constant contact with both its landlords and tenants with respect to possible revisions of existing payment terms in consequence of the current economic trading conditions existing in Italy. The Company has so far maintained payments of rent to landlords (as reduced, where possible, further to negotiations conducted by management) and remains in contact with them as this is considered essential for the purpose of the safeguarding of the company's property rights over the Stores it has retained and/or plans on retaining.

Melite Italia had informed Melite Properties of the intention to enter into a restructuring of its business and debts in terms of a procedure available in terms of Italian law. Accordingly, sourcing alternative tenants for the Stores which were operated by Melite Italia remained a key priority for the Company and Melite Properties (together the "Melite Finance Group"). On the advice of commercial real estate specialists, the Company entered into profit-sharing agreements with Melite Italia as the likelihood of success in sourcing new tenants was deemed as greater should the stores be operational and stocked, rather than closed. This arrangement remained in place through 2020 and the initial months of 2021 other than those periods when further COVID-19 waves in Italy led to further lockdown decrees and the shops remaining shut. During the six months ended 30 June 2021, new tenants have been found for all remaining properties and agreements entered into accordingly.

In the context of the above, the Board of Directors of the Company remains focussed on taking such steps as may be necessary to ensure, that the underlying business retains as much value as possible to enable the Company to continue, as far as possible, to service its obligations to the holders of the €9,250,000 secured bonds 2028 issued by the Company (the "Bonds").

Following the onset of COVID-19 and the decision by Melite Italia to enter into voluntary administration, and as described in the financial statements for the year ended 31 December 2020, a restructuring plan was agreed to by the Board of Directors of the Company., As part of the restructuring plan, Melite Properties rescinded seven stores until the year ended 31 December 2020. During the six months ended 30 June 2021, Melite Properties rescinded another property and was in the process of rescinding another two stores in 2021. This is being effected in order to channel all available cash towards safeguarding what the Board of Directors of Melite Properties believe to be the more valuable leases that are essential to secure the fulfilment of its obligations towards the Company and, in turn, the Melite Finance Group's long term survival. The leases that were rescinded relate to those stores (such as stores located within commercial centres) which, based on advice from real estate specialists, were expected to take longer to sub-let.

Directors' report - continued

Following the rescission of these contracts including those two stores still to be formally rescinded, Melite Properties will be left with a total of nineteen stores (the "Retained Stores"), with a combined valuation as at 30 June 2021 of €9 million. These nineteen stores had a value of €8.5 million as at 31 December 2020 reflecting the slight improvement in trading conditions that are now prevalent in Italy. Notwithstanding the challenging economic climate and rapidly evolving conditions, management concluded or retained agreements for the sub-letting of eight of these stores to third party operators. Furthermore, in April 2021, management concluded negotiations and accepted an irrevocable offer from a third party retail operator which secured the sub-letting of another nine stores as from June 2021 for a period of twenty four months, and which may be further extended for an additional period of six years. Management also concluded the sub-letting of an additional two stores with the first few months being subject to a profit-sharing agreement.

The process of identifying new tenants required time, not least due to the complicated trading conditions in view of the adverse effect of COVID-19 on the retail sector in Italy. COVID-19 has dragged on beyond initial expectations and its impact on the retail sector in Italy has been far more significant than anticipated. In the intervening period until Melite Properties sourced new tenants for its properties, and in order to protect its assets, it needed to finance the payment of rent due to its landlords. The continued and regular payment of rent to landlords is imperative to ensure that Melite Properties does not have to forfeit the property rights that it holds. These property rights are the principal asset held by this business and represent the underlying assets secured through the share pledge granted in favour of the Security Trustee as security in favour of the holders of the Bonds (the "bondholders"). Without these property rights, the Melite Finance Group will have no assets to generate the funds required to service interest, as far as possible, and eventually redeem the Bonds.

As described in the financial statements for the year ended 31 December 2020, the Board secured shareholder funding in the amount of €1.1 million, which based on the restructuring plan, was used to finance rental payments to the landlords of the retained stores in the intervening period until such time as Melite Properties identified new tenants. As at 31 December 2020, an additional undertaking totalling €0.35 million was provided by the shareholders, subject to bondholder approval of certain changes to terms of the bond. Alf. Mizzi & Sons Ltd, MMGH Ltd and Daystar Holdings Ltd have since waived the conditionality insofar as relates to their combined share of €0.2 million. The balance of the €0.15 million support by Andrew Ganado Ltd and by GAN Ltd remains conditional on bondholder approval.

As part of the fulfilment of the restructuring plan set out in the previous year, the Board was successful in obtaining a loan amounting to €0.449 million from the Malta Development Bank under the COVID Guarantee Scheme which enabled the Company to service, in full, the Bond interest payment which was due in November 2020.

The recent agreements reached with new tenants together with the funding made available has provided relief to the Melite Finance Group and the underlying business in this unprecedented, and extremely difficult and uncertain time, allowing the Board of Directors of the Company, and Melite Properties' management, to forge a plan which would see the Melite Finance Group retain as much as possible of the value of the property rights it holds and on which the future servicing and repayment of the Bonds is ultimately dependent.

Directors' report - continued

Although, the basis of preparation of the unaudited consolidated interim financial statements as at 30 June 2021 is that of a going concern, and accordingly, this financial information has been prepared on a consistent basis with the accounting policies applied in the 2020 audited consolidated financial statements, the appropriateness of the basis of preparation may need to be re-assessed depending on the outcome of the bondholders meeting that has been called on 12 November 2021.

As outlined in Section 5 of the Circular to bondholders, the projected operating cash flows of the Group and the committed funding made available to the Group, are not sufficient to service the debt service commitments of the Group in the short to medium term. Therefore, in the event that the Bondholders do not approve the proposed reduction in the bond interest coupon, the Directors expect that the basis of preparation of financial information would need to be amended to a break-up basis. These amendments would include revising the carrying value of the intangible assets to a forced sale basis, and furthermore an assessment of contractual obligations would need to be carried out which might result in the consequential recognition of other liabilities which are not yet known or reflected. These factors indicate the existence of a material uncertainty, which may cast significant doubt on the ability of the Group to continue as a going concern.

Results and dividends

The condensed interim consolidated statement of comprehensive income is set out on page 9. The directors do not recommend the payment of an interim dividend for the period under review.

Directors

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

Jackie Briffa
Alan Frendo Jones
Andrew Ganado (resigned on 21st September, 2021)
Christian Ganado
Paul Mercieca
Stanley Portelli

Approved by the Board of Directors on 18th October 2021 and signed on its behalf by:

Paul Mercieca
Director

Stanley Portelli
Director

Registered office:
Level 3, Valletta Buildings
South Street
Valletta VLT 1103
Malta

Statement pursuant to Capital Markets Rule 5.75.3

We hereby confirm that to the best of our knowledge, subject to the outcome of the bondholders' meeting that has been called on 12 November 2021, and any amendments to the basis of preparation as may be required and as described in the Directors' report:

- the condensed interim consolidated financial statements give a true and fair view of the financial position of the Group and Company as at 30 June 2021, as well as of the financial performance and cash flows for the said period, in accordance with International Financial Reporting Standards as adopted by the 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.

Paul Mercieca
Director

Stanley Portelli
Director

18th October 2021

Condensed interim consolidated statements of financial position

	As at 30 June 2021		As at 31 December 2020	
	Group	**Company**	Group	Company
	€	**€**	€	€
ASSETS				
Non-current assets	**19,874,319**	**9,138,695**	20,451,987	11,511,401
Current assets	**1,685,116**	**1,053,733**	1,723,687	949,941
Total assets	**21,559,435**	**10,192,428**	22,175,674	12,461,342
EQUITY AND LIABILITIES				
Total equity	**(745,195)**	**248,843**	1,324,017	2,695,008
Non-current liabilities	**19,993,555**	**9,468,287**	18,581,449	9,452,557
Current liabilities	**2,311,075**	**475,298**	2,270,208	313,777
Total liabilities	**22,304,630**	**9,943,585**	20,851,657	9,766,334
Total equity and liabilities	**21,559,435**	**10,192,428**	22,175,674	12,461,342

The notes on pages 6 to 9 are an integral part of these condensed interim consolidated financial statements.

The condensed interim consolidated financial statements on pages 1 to 9 were authorised for issue by the board on 18th October 2021 and were signed on its behalf by:

Paul Mercieca
Director

Stanley Portelli
Director

Condensed interim consolidated income statements

	Period from 1 January to 30 June 2021		Period from 1 January to 30 June 2020	
	Group €	**Company €**	Group €	Company €
Revenue	**487,777**	**-**	1,144,059	-
Cost of sales	**(1,197,130)**	**-**	(1,112,967)	-
Gross (loss)/profit	**(709,353)**	**-**	31,092	-
Administrative expenses	**(199,272)**	**(110,024)**	(247,847)	(135,705)
Impairment of receivables	**-**	**-**	(1,317,856)	-
Impairment on leasehold premia	**(704,222)**	**-**	(1,155,313)	-
Other income	**210,648**	**85,000**	-	85,000
Operating loss	**(1,402,199)**	**(25,024)**	(2,689,924)	(50,705)
Impairment on investment in subsidiary	**-**	**(2,372,706)**	-	(2,473,169)
Finance costs	**(584,187)**	**(246,857)**	(633,687)	(240,043)
Finance income	**-**	**198,422**	-	180,865
Loss before tax	**(1,986,386)**	**(2,446,165)**	(3,323,611)	(2,583,052)
Tax expense	**-**	**-**	(213,321)	-
Loss for the period – total comprehensive loss	**(1,986,386)**	**(2,446,165)**	(3,536,932)	(17,871)
Attributable to:				
Owners of the parent	**(1,986,386)**	**(2,446,165)**	(3,536,932)	(2,583,052)

Condensed interim consolidated statements of comprehensive income

	Period from 1 January to 30 June 2021		Period from 1 January to 30 June 2020	
	Group €	**Company €**	Group €	Company €
Loss for the period	**(1,986,386)**	**(2,446,165)**	(3,536,932)	(2,583,052)
Other comprehensive loss:				
Fair value movement on available-for-sale financial assets	**(82,826)**	**-**	-	-
Total comprehensive loss for the period	**(2,069,212)**	**(2,446,165)**	(3,536,932)	(2,583,052)

The notes on pages 6 to 9 are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statements of changes in equity

Group

	Share capital €	Capital contribution €	Fair value reserve €	Retained earnings €	Total €
Balance at 31 December 2019	5,874,406	-	82,826	(1,035,424)	4,921,808
Comprehensive loss					
Loss for the period - total comprehensive loss	-	-	-	(3,536,932)	(3,536,932)
Transactions with owners					
Capital contribution	-	69,552	-	-	69,552
Balance at 30 June 2020	**5,874,406**	**69,552**	**82,826**	**(4,572,356)**	**1,454,428**
Balance at 31 December 2020	5,874,406	637,560	82,826	(5,270,775)	1,324,017
Comprehensive loss					
Loss for the period	-	-	-	(1,986,386)	(1,986,386)
Other comprehensive loss:					
Fair value movement on available-for-sale financial assets	-	-	(82,826)	-	(82,826)
Total comprehensive loss	-	-	(82,826)	(1,986,386)	(2,069,212)
Balance at 30 June 2021	**5,874,406**	**637,560**	**-**	**(7,257,161)**	**(745,195)**

Condensed interim consolidated statements of changes in equity - continued

Company

	Share capital €	Capital contribution €	Retained earnings €	Total €
Balance at 31 December 2019	5,874,406	-	(1,113,197)	4,761,209
Comprehensive income				
Loss for the period - total comprehensive loss	-	-	(2,583,052)	(2,583,052)
Transactions with owners				
Capital contribution	-	69,552	-	69,552
Balance at 30 June 2020	**5,874,406**	**69,552**	**(3,696,249)**	**2,247,709**
Balance at 31 December 2020	5,874,406	637,560	(3,816,958)	2,695,008
Comprehensive income				
Loss for the period - total comprehensive loss	-	-	(2,446,165)	(2,446,165)
Balance at 30 June 2021	**5,874,406**	**637,560**	**(6,263,123)**	**248,843**

The notes on pages 6 to 9 are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statements of cash flows

	Period from 1 January to 30 June 2021		Period from 1 January to 30 June 2020	
	Group €	Company €	Group €	Company €
Net cash generated from/(used in) operating activities	280,947	(174,904)	977,978	(2,398,833)
Net cash generated from/(used in) investing activities	530,343	-	(2,690)	-
Net cash (used in)/generated from financing activities	(892,953)	-	(1,164,826)	2,382,721
Net movement in cash and cash equivalents	(81,663)	(174,904)	(189,538)	(16,112)
Cash and cash equivalents at beginning of period	315,438	194,415	602,194	210,488
Cash and cash equivalents at end of period	**233,775**	**19,511**	**412,656**	**194,376**

The notes on pages 6 to 9 are an integral part of these condensed interim consolidated financial statements.

Notes to the condensed interim consolidated financial statements

1. General information

Melite Finance p.l.c. ("the Company") is a limited liability company domiciled and incorporated in Malta.

The consolidated financial statements for the year ended 31 December 2020 are available upon request from the company's registered office at Level 3, Valletta Buildings, South Street, Valletta, VLT 1103, Malta. They are also available for viewing on its website at www.meliteproperties.com.

This condensed interim consolidated financial information was approved for issue by the Board of Directors on 18th October 2021.

2. Basis of preparation

The condensed consolidated interim financial information for the six-month period ended 30 June 2021 has 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 condensed interim consolidated financial information should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2020, which have been prepared in accordance with IFRSs as adopted by the EU.

Although, the basis of preparation of the unaudited consolidated interim financial statements as at 30 June 2021 is that of a going concern, and accordingly, this financial information has been prepared on a consistent basis with the accounting policies applied in the 2020 audited consolidated financial statements, the appropriateness of the basis of preparation may need to be re-assessed depending on the outcome of the bondholders meeting that has been called on 12 November 2021. As outlined in Section 5 of the Circular to bondholders, the projected operating cash flows of the Group and the committed funding made available to the Group, are not sufficient to service the debt service commitments of the Group in the short to medium term. Therefore, in the event that the Bondholders do not approve the proposed reduction in the bond interest coupon, the Directors expect that the basis of preparation of financial information would need to be amended to a break-up basis. These amendments would include revising the carrying value of the intangible assets to a forced sale basis, and furthermore an assessment of contractual obligations would need to be carried out which might result in the consequential recognition of other liabilities which are not yet known or reflected. These factors indicate the existence of a material uncertainty, which may cast significant doubt on the ability of the Group to continue as a going concern.

3. Summary of significant accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial information are the same as those applied in the consolidated financial statements for the year ended 31 December 2020.

(a) Standards, interpretations and amendments to published standards effective in 2021

In 2021, the company adopted revised standards, amendments and interpretations to existing standards that are mandatory for the company's accounting period beginning on 1 January 2021. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Group's accounting policies.

Notes to the condensed interim consolidated financial statements - continued

3. **Summary of significant accounting policies** - continued

(b) Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards which are mandatory for accounting periods beginning after 1 January 2021 have been published by the date of authorisation for issue of this financial information. 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 consolidated financial statements for the year ended 31 December 2020.

5. **Critical accounting estimates and judgements**

Estimates and judgements 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 judgements 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, except as outlined in Note 2 to these financial statements and as highlighted in the following paragraph.

The accounting estimates include the valuations of the intangible assets held by the Company. These valuations were prepared by accredited real estate valuers in Italy based on the established market practices for carrying out these types of valuations. The valuations are based, inter alia, on the valuer's assessment of the current market rental value of the individual leases held by Melite Properties. The assessment of market rental value is currently subject to the heightened turbulence created by the slowdown in the overall retail market in Italy further to the outbreak of the COVID-19 pandemic in 2020. As described in note 2 to these interim condensed consolidated financial statements, in the event that the Bondholders do not approve the proposed reduction in the bond interest coupon, the Directors expect that the basis of preparation of financial information would need to be amended to a break-up basis. These amendments would include revising the carrying value of the intangible assets to a forced sale basis.

6. **Right of use assets**

Right of use assets relates to leasehold properties and premia paid on such properties. Additions to right-of-use assets following lease modifications during the course of the current financial period amounted to €2,144,802. The movement in the carrying amount of right of use assets during the period is also attributable to depreciation charges, reversal of right-of-use assets and impairment on leasehold premia as a result of rescissions, which amounted to €794,638 (2020: €1,212,640), €617,130 (2020: €3,079,294) and €704,222 (2020: €1,155,313) respectively .

7. **Taxation**

The tax expense for the period ended 30 June 2020 amounting to €213,321 consisted of a release of a deferred tax asset recognised in the prior period.

Notes to the condensed interim consolidated financial statements - continued

8. Loans receivable

In the ordinary course of its business activities, the Company also advances funds to group companies. Such amounts are subject to a fixed rate of interest of 6.1%, are unsecured and repayable by not later than 23 November 2028.

9. Equity instruments at fair value through other comprehensive income

The Group's equity investments consist of equity instruments in listed foreign companies. Accordingly, these equity investments are categorised as Level 1 within fair value measurement hierarchy required by IFRS 13. During the period ended 30 June 2021, most of these investments were disposed of and the balance of €82,826 in the fair value reserve was released.

10. Capital commitments

As at 30 June 2021 and 31 December 2020, the Company did not have any capital commitments.

11. Interest bearing borrowings

By virtue of an offering memorandum dated 12 November 2018, the Group issued €9,250,000 bonds with a face value of €100 each. The bonds have a coupon interest of 4.85% which is payable annually in arrears, on 23 November of each year. The bonds are redeemable at par and are due for redemption on 23 November 2028. The bonds were admitted on the Official List of the Malta Stock Exchange on 12 November 2018. The quoted market price as at 30 June 2021 for the bonds was €80.00. As of 1 September 2021, secondary trading in the bonds has been suspended by order of the MFSA, due to non-submission of interim financial statements by the end of August 2021, as explained in the Company Announcement no.25/2021.

In accordance with the provisions of the prospectus, the proceeds from the bond issue have been advanced by the Group to group related parties.

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.

As from 1 January 2019, the Group has also adopted the amendments to IFRS 16 and has recognised a lease liability reflecting future lease payments and a 'right-of-use asset' for all property lease contracts. The lease liability as at 1 January 2019 amounted to €15,636,817, and a deemed interest cost of 6.1% has been applied. The balance of lease liability as at 30 June 2021 amounted to €11,310,208 (2020: €10,063,142).

12. Lease liabilities

The lease liabilities associated with the right of use assets relate to leasehold properties. The total cash outflows for leases during the reporting period was €892,953 (2020: €1,135,913).

13. Contingent liabilities

As described in Note 2 to these financial statements, the projected operating cash flows of the Group and the committed funding made available to the Group, are not sufficient to service the debt service commitments of the Group in the short to medium term. Therefore, in the event that the Bondholders do not approve the proposed reduction in the bond interest coupon, an assessment of contractual obligations would need to be carried out which might result in the consequential recognition of other liabilities which are not yet known or reflected.

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

14. Related parties

The Group forms part of the Melite Retail Group of Companies. All companies forming part of the Melite Retail Group, which are all ultimately owned by Melite Retail Limited, are considered to be related parties in view of common ultimate shareholding.

The principal transactions carried out by the Group with related parties during the six month period ended 30 June 2021 are outlined below:

- Rental income from companies within the Melite Retail Group amounting to €Nil (2020: €904,068).

- Management fees charged by related party amounting to €25,000 (2020: €25,000).

- Management fee charged by director amounting to €25,000 (2020: €Nil)

- Non-current liabilities include amounts advanced by related parties of €462,440.