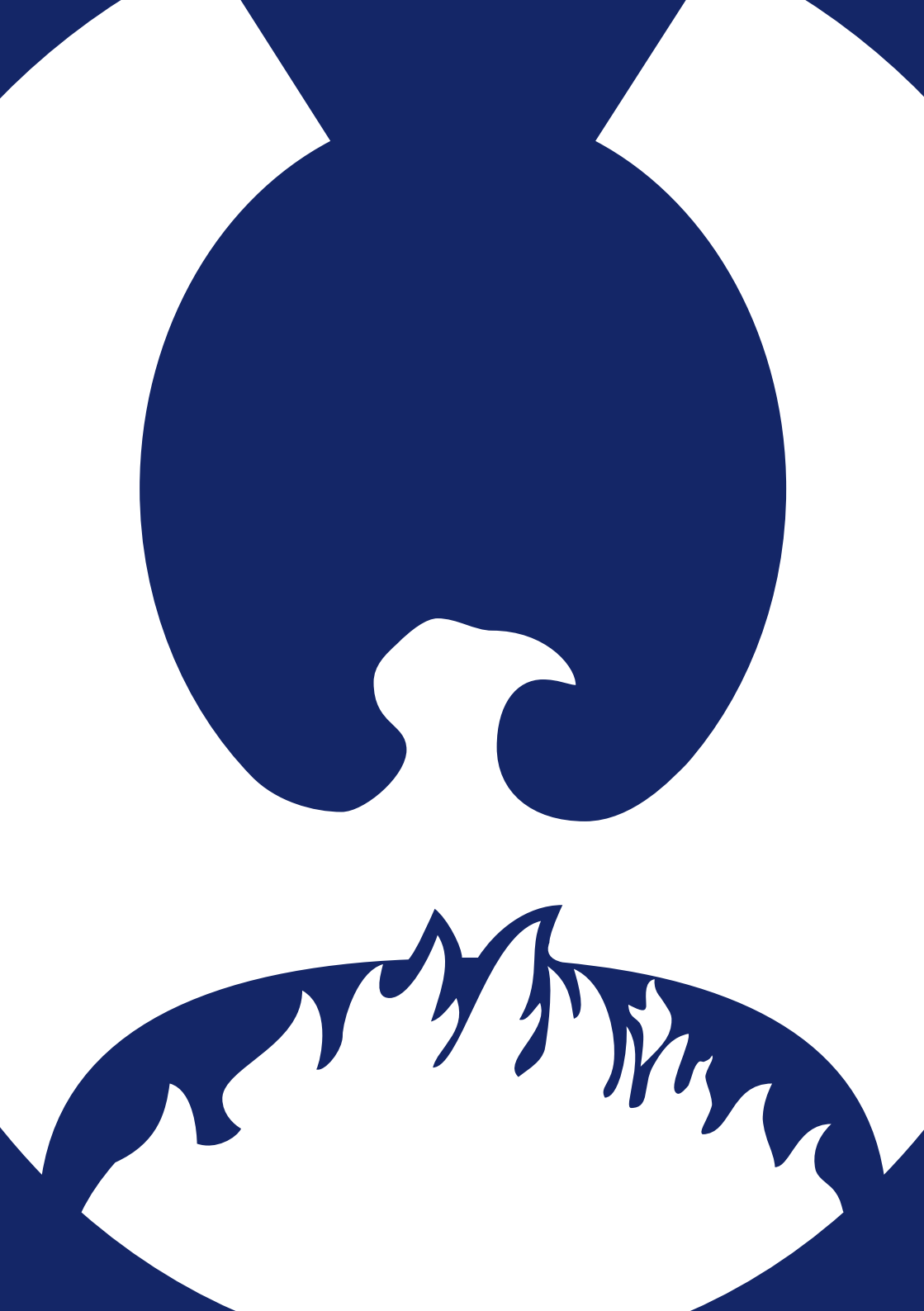




RAVEN PROPERTY GROUP LIMITED

2021 Interim Report





**RAVEN PROPERTY GROUP LIMITED**  
**INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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# HIGHLIGHTS

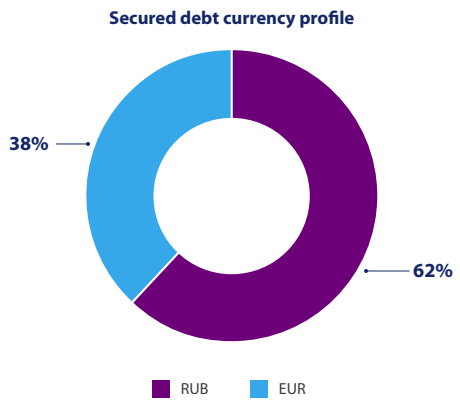
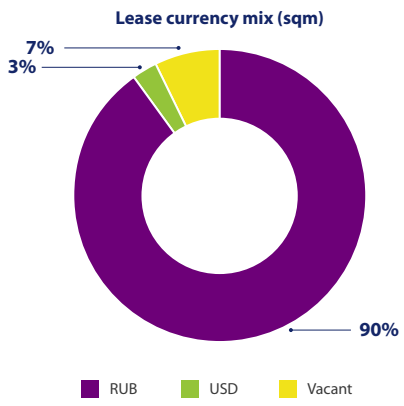
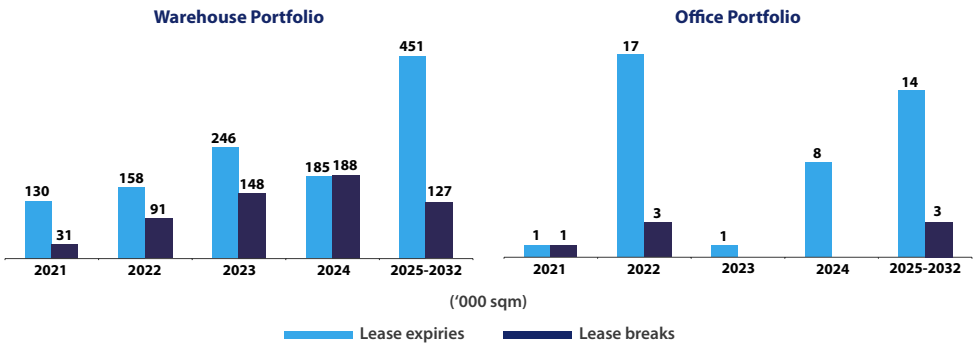
- Portfolio occupancy stands at 96% today, up from 93% at 30 June 2021 (31 December 2020: 94%);
- Underlying earnings of £17.3 million in the six months to 30 June 2021 (30 June 2020: loss of £10.4 million) and IFRS profit of £41.2 million (30 June 2020: loss of £31.7 million);
- Investment property revaluation surplus of £29.5 million (30 June 2020: revaluation loss £12.5 million) increases investment property carrying values to £1.15 billion (31 December 2020: £1.12 billion);
- Net assets increase to £264.5 million at 30 June 2021 from £233.7 million at 31 December 2020 and diluted net asset value per share increases by 25% to 50p at 30 June 2021 (31 December 2020: 40p);
- Cash at bank remains stable at £53.1 million (31 December 2020: £53.1 million); and
- A successful conclusion to the purchase of Invesco Asset Management's holdings in the Company's instruments, 9.85 million ordinary shares purchased and cancelled by the Company, 100 million ordinary shares and 32.5 million preference shares purchased by way of a joint venture between the Company and its senior management and the remaining 46.8 million ordinary shares and 31.1 million preference shares placed in the market, all at a price of 21.6 pence per ordinary share and 90.8 pence per preference share.

**Glyn Hirsch CEO said,** "Rouble rents are rising strongly and property valuations are following in a very tight market. It's pleasing to see net asset value per share rebounding to 50 pence, especially following the placing of Invesco Asset Management's ordinary share holdings at 21.6 pence in May."

## Financial Summary

Income Statement for the 6 months ended:	30 June 2021	30 June 2020
Net rental and related income (£m)	51.9	59.6
Underlying earnings/(loss) (£m)	17.3	(10.4)
Revaluation surplus/(deficit) (£m)	29.5	(12.5)
IFRS profit/(loss) (£m)	41.2	(31.7)

Balance Sheet at:	30 June 2021	31 December 2020
Investment property market value (£m)	1,161	1,129
Diluted NAV per share (pence)	50	40





# CHAIRMAN'S MESSAGE

I am pleased to report on a positive six months for the Group.

The Russian warehouse market now mirrors the global trend for our asset class, with upward pressure on market rental levels and low vacancy rates. The larger e-commerce players, such as Ozon and Yandex.Market, have been extremely active, securing the space that they require for growth.

With Russia effectively closing its borders in reaction to the pandemic, the flow of cheaper labour into the country has been cut off. Together with a weak Rouble, this has increased inflationary pressures and the cost of construction for logistics' development has increased significantly, again placing upward pressure on rental levels.

The pro inflationary impact has moved the current official rate of inflation to 6.5% compared to the Central Bank of Russia's ("CBR") target rate of 4%. The CBR has taken a hawkish approach, hiking its key rate by 225 basis points, from 4.25% at the beginning of the year to 6.5% today. External influences such as sanctions aside, the CBR expects to see a strengthening of the Rouble in the second half of the year as a reaction to its policy.

The spectre of the Covid pandemic has by no means subsided and in fact, cases in Russia increased significantly in the six months as vaccination uptake remains subdued. The Government has avoided further lockdowns, pushing responsibility onto the regional administrations to enforce local restrictions and policies. We continue to follow strict protocols in our Russian offices, encouraging working from home and operating two week shift rotations for those wishing to use our offices, combined with regular testing of our employees.

This has not had an impact on our trading, with full rent recovery in the period and no material outstanding debtors or rent deferrals.

We were relieved to finally deal with the acquisition of Invesco Asset Management's ("Invesco") holding in the Company's listed instruments in the period. Through a joint venture vehicle with the Company's senior management, 100 million ordinary shares and 32.5 million preference shares were acquired from Invesco on 11 May 2021 for 21.6p and 90.8p per share respectively. The Company also purchased 9.85 million ordinary shares directly, at the same price, and cancelled those shares. Invesco's remaining holding of 46.8 million ordinary shares and 31.1 million preference shares were placed with existing holders and we thank them for their support in this transaction.

Our search for additional non executive directors is progressing well and we have engaged with a specialist recruitment agency to assist in our Board diversity programme. We hope to make positive announcements before the end of the financial year.

We also continue to work with KPMG to ready ourselves for the implementation of the task force on climate related financial disclosure recommendations ("TCFD"). In that regard, I am also pleased to report that the first phase of our solar farm at our Rostov site has now been completed and has started operation and elsewhere we continue to switch our energy requirements to RosHydro from the traditional energy suppliers.

Whilst our second half profitability will feel the impact of higher interest rates, it is encouraging that, in this set of results, our improving balance sheet position is driven by positive underlying market dynamics rather than foreign currency exchange rate swings. This bodes well for our net asset value per share.

**Sir Richard Jewson**

Chairman

30 August 2021



# CHIEF EXECUTIVE'S REVIEW

Dear Shareholders

The warehouse market in Russia is in a good place. Market rents are on the increase as vacancy levels reduce and growth in the e-commerce sector is making a significant difference to market dynamics.

We saw strong tenant demand during the period and that is continuing today. This has resulted in reduced vacancy in our portfolio and in the market as a whole.

Our portfolio is 96% let today with interest in the majority of our remaining vacant space. Our average rental rate at 30 June 2021 rose to R5,062 per sqm (30 June 2020: R4,833 per sqm).

Increasing CBR interest rates may dampen some of the good letting news in the second half of the year's profitability but we expect a strengthening of the Rouble to compensate, especially in balance sheet terms, combined with a positive environment for our asset valuations. Increasing construction cost inflation is impacting the logistics' development market and this is restricting new supply, contributing to the increase in market rents. If this trend continues, we expect further positive progress in our underlying Rouble property valuations later in the year.

As described below, the acquisition of Invesco's holding in the Company's ordinary and preference shares in May this year has altered our balance sheet. 9.85 million ordinary shares have been cancelled and 49.4 million ordinary shares are now effectively held in treasury as a result of the transaction, producing a positive movement in net asset value per share. As a result of this transaction, your highly focussed management team is now even more focussed and committed.

To see our net asset value per share at 50p (31 December 2020: 40p) is particularly gratifying, as foreign exchange currency movements had minimal impact on the figure.

Whilst the rental market and valuations are performing strongly the profit outlook for the year is heavily dependent on interest and exchange rates and therefore, as last year we will consider a single, final distribution by way of tender offer share buyback at the year end.

## Property Update

With minimal vacant space available in our portfolio, we are now in advanced negotiations to extend the larger maturities which arise in 2022. Our focus is on reaching full occupancy by the year end and how best to generate returns from the trapped space that inevitably remains across the portfolio at these occupancy levels.

## Warehouse Portfolio

With the largest e-commerce players and retailers competing for market share, our existing vacant space and additional vacancies arising on lease maturities have let quickly, all at rents ahead of expectation. In the first six months we completed 209,000sqm of new lettings and 88,000sqm of lease extensions.

The largest maturity in the portfolio occurred at the beginning of the year, Wildberries releasing their short term lets at Krekshino and Pushkino of 29,000sqm and 44,000sqm respectively. These were quickly absorbed. Home Market took 21,000sqm of space at Krekshino, the remainder taken by smaller lets. At Pushkino, DNS have taken 21,600sqm and Ozon, 22,700sqm.

Other lettings in the year included Yandex.Market leasing 18,000sqm at Klimovsk and 4,500sqm in Rostov; Sladkaya Zhizn 16,000sqm at Klimovsk; and Ozon taking a further 8,000sqm in Rostov. All other new lets were for blocks of less than 10,000sqm.

The other large maturity in the period arose at Istra in May, DSV vacating 59,000sqm. This was the largest single space available on the Moscow market at that time, allowing us to expand our relationship with the Russian e-commerce giant, Ozon, who have taken 52,000sqm of the space since the period end. Beluga have made up the difference, leasing 8,400sqm.



Portfolio occupancy at 30 June 2021 was 93%, rising to 96% today on the re-letting of the DSV space.

In the second half of the year we have 130,000sqm of expiries, 72,000sqm of which has already been extended or re-let. RosLogistics account for 44,000sqm of the remaining maturing leases with their underlying clients' requirement expected to drop to 36,200sqm. Negotiations on the remaining maturities and vacant space are at an advanced stage.

### **Office Portfolio**

The office portfolio has performed in line with our expectations in the period. The buildings are operating as normal and tenants have returned to their offices although many continue to allow employees to work from home for one or two days a week. We do not have any large breaks or expiries during the remainder of the year and occupancy is running at 98%.

All office tenants have paid and continue to pay their full rental obligations.

### **Finance Review**

Operating results in the six months have been strong in Rouble terms, the weaker average exchange rate in the period taking some of the shine off when converting to Sterling. The balance sheet position at 30 June 2021 shows the benefit of the strong market dynamics, with property values on the increase and higher interest rates and oil prices stabilising the Rouble. This translates into a significant increase in IFRS earnings and net asset value per share.

### **Income Statement**

#### *Net Rental and Related Income*

The Group generated Rouble denominated net rental income of R5.4 billion in the six months to 30 June 2021, up from R5.2 billion in the same period in 2020. The significantly weaker Rouble/Sterling average exchange rate in the period of 103.1 compared to 87.3 in the six months to 30 June 2020 means our Sterling presentation income drops to £51.9 million from £59.6 million. The step down in income as the last of the non Rouble leases convert to market rates was principally taken in 2020, with only 3% of our portfolio now remaining on US Dollar leases compared to 17% of US Dollar and Euro leases at 30 June 2020.

#### *Administrative Expenses*

Administrative expenses include transaction costs of £1.25 million in relation to the purchase of the Company's shares from Invesco in the period.

Excluding this cost, both underlying and IFRS administrative expenses have reduced compared to 2020 even with slightly higher employment costs reflecting some bonus payments in 2021. Bonus decisions were deferred in 2020 due to the pandemic so there is no comparable charge.

#### *Net Finance Costs*

Our weighted average bank interest cost in the six months was 6.37% (2020: 5.48%). In 2020 we were in a low inflation, decreasing interest rate environment in Russia, the key rate dropping to 4.25%. That situation has now been reversed, with rising inflation forcing the CBR to enter into a programme of interest rate increases in the first half of the year, from 4.25% at 31 December to 6.5% today. The full effect of this will be seen in the second half of the year if there is no easing of the policy. This has had a positive effect on the mark to market of our interest rate derivatives, generating a valuation gain of £2.2 million (30 June 2020: loss of £1.5 million).

The re-designation of our convertible preference shares in September 2020 also means we no longer account for the premium on redemption, a charge of £3.6 million in the same period last year.

Together this results in a drop in net finance costs from £40.4 million to £33.2 million for the six months.

#### *Taxation*

The underlying corporation tax charge increased in the period to £4.3 million (30 June 2020: £3.4 million) as positive foreign exchange gains arising in the Russian subsidiaries are taxable. The IFRS tax charge also increases to £8.6 million (30 June 2020: £5.1 million) as a deferred tax charge of £1.8 million is applied to the positive investment property revaluation movement.





### *Underlying Earnings*

The Group has made underlying earnings of £17.3 million for the period, (30 June 2020: loss of £10.4 million). The increasing interest rate environment and relatively strong oil prices have stabilised the Rouble recently, generating an unrealised foreign exchange profit on our Euro debt balances of £8.9 million at 30 June 2021 (30 June 2020: loss of £23.8 million), representing the biggest swing in underlying earnings.

The reconciliation between underlying and IFRS earnings is shown in note 7 to the Report. The principal reconciling items are mark to market movements, the largest of which is the unrealised profit or loss on the revaluation of our investment properties.

### *IFRS Earnings*

IFRS earnings for the period were £41.2 million (30 June 2020: loss of £31.7 million), showing a significant recovery compared to the same period in 2020. The main components are: the unrealised foreign exchange gain described above of £8.9 million (30 June 2020: loss of £23.8 million); the unrealised profit on the revaluation of investment properties of £29.5 million (30 June 2020: unrealised loss of £12.5 million); and the mark to market of interest derivatives and the amortisation costs of various instruments giving a loss of £0.2 million (30 June 2020: loss of £6.3 million).

### *Earnings Per Share*

Unrealised foreign exchange movements and property valuation movements account for much of the positive movement in our earnings per share measurements. Basic underlying earnings per share for the six months were 3.08p (30 June 2020: loss per share 2.16p) and basic IFRS earnings per share 7.32p (30 June 2020: loss per share 6.59p).

### **Balance Sheet**

#### *Investment Properties*

Investment property valuations have increased from R110.3 billion at 31 December 2020 to R113.7 billion at 30 June 2021. On translation this gives a market value of £1.13 billion (31 December 2020: £1.10 billion) and a revaluation uplift of £29.4 million. Investment property under construction shows no significant movement in carrying value at £27.1 million (31 December 2020: £27.0 million).

#### *Cash and Rent Recovery*

Cash balances in the six month period have remained flat, at £53.1 million. Net debt drawn of £71.1 million includes the €60 million (£52.2 million) facility drawn to support the Invesco share buy back, funding the loan of £35.7 million to the joint venture, the investment into the joint venture of £15.4 million and the acquisition of own shares of £2.1 million. Net cash from operations of £37.2 million covered borrowing costs and the preference share coupon of £32.6 million. Other net financing draws of £18.9 million cover loan amortisation in the period of £12.3 million and capital expenditure of £3.1 million. A final tender offer in relation to 2020 of £5.1 million was also paid in the period.

Tenants have met all rental obligations in the six months and there are no material rental deferrals remaining from the outset of the pandemic in 2020.

### *Debt*

Borrowings total £673.0 million at 30 June 2021 (31 December 2020: £627.5 million).

As noted elsewhere, the largest new facility draw completed in the period was a corporate loan for €60 million (£52.2 million) to support the acquisition of ordinary and preference shares from Invesco. Otherwise, our normal rolling refinancing programme for our amortising loans continues with 6 facilities rolled over in the first six months, generating a net draw of £18.9 million.

At the period end, 62% of our facilities are Rouble denominated and 38% Euro denominated. The weighted average term to maturity of the facilities is now 3.8 years (31 December 2020: 4.1 years) and weighted average cost of debt 6.37% (31 December 2020: 5.48%).

The cost of our Rouble debt is hedged by interest rate caps at a weighted average strike rate of 7.6% (31 December 2020: 7.8%) and a weighted average term to maturity of 2.8 years (31 December 2020: 3.4 years). Our Euro debt is hedged by interest caps at a weighted average strike rate of 0.9% (31 December 2020: 0.8%) and a weighted average term to maturity of 3.7 years (31 December 2020: 3.9 years).



### *Joint Venture*

On 19 April 2021 we issued a circular to shareholders detailing the proposed purchase of the majority of Invesco's holding in the Company's ordinary and preference shares. This was achieved using a joint venture vehicle, Raven Holdings Limited ("RH"), which the Company entered into with six of the Company's executive directors and senior management. The Company acquired 50% of the equity in RH for £15.4 million and issued a loan to RH for £35.7 million at 6.65% per annum.

The investment was supported by a €60 million loan from VTB Bank, taken out by the Group's intermediate Cypriot holding company, on a five year term, interest only, at a cost of 5.65% over Euribor per annum.

RH then acquired 100 million ordinary shares and 32.5 million preference shares of the Company from Invesco.

The results of RH are equity accounted in the Group accounts, the share of its profits or losses shown as one line in the income statement and the carrying value of the investment in RH adjusted for the Group's share of its net assets and any distributions received (see note 11 to the condensed financial statements).

At 30 June 2021, the investment in RH had a carrying value on the balance sheet of £7.0 million and has generated a share of income of £2.0 million. In addition, the Group balance sheet carries the loan due from the joint venture of £35.7 million in non current assets.

All income that is received by the Group by way of servicing the joint venture loan or via ordinary share distributions must be used to service and repay the VTB loan. Therefore, whilst the VTB loan remains outstanding, the surplus income generated by the joint venture is not available for distribution and is disclosed in the "Capital and other" column of the income statement.

### *Net Asset Value*

Our net asset value per share receives a positive boost from a strengthening balance sheet position. This is mostly down to underlying market dynamics rather than simply foreign currency influences. In addition to underlying profitability, positive unrealised currency movements of £11.5 million through the income statement and reserves and a property revaluation gain of £27.7 million, net of deferred tax, contribute to an increased net asset value of £264.5 million (31 December 2020: £233.7 million).

The acquisition of Invesco's ordinary shares and the final 2020 distribution by way of tender offer also reduced the number of shares in issue, all of this combining to increase our diluted net asset value per share from 40p at 31 December 2020 to 50p at 30 June 2021.

### *Post Balance Sheet Event*

We are pleased to report that, in August, we were successful in our appeal to the Supreme Court in relation to a legal claim included in the 2020 Annual Accounts, requiring a provision for a potential liability of R255 million to be carried in the balance sheet. The claim made by the receiver of a bankrupt tenant has been dismissed and the provision will be released in the second half of the year.

### **Glyn Hirsch**

Chief Executive Officer

30 August 2021

# CORPORATE GOVERNANCE

## Principal risks and uncertainties

The principal risks and uncertainties affecting the Group, how these are mitigated or managed and our approach to risk appetite are set out in the Risk Report on pages 48 to 52 of the Annual Report for the year ended 31 December 2020.

## Principal Risks

We believe the principal risks faced by the business remain the same as reported in the 2020 Annual Report. Whilst the threat of Covid in Russia has by no means diminished, market activity has not been affected and the Group is trading ahead of expectation with no real pandemic related impact on the business, operationally or financially. There has been a switch in some underlying risks however. As we move to a predominantly Rouble based trading model, with both our leases and debt portfolio now with significantly reduced foreign exchange risk, we increase our exposure to Russian domestic inflationary risks. Inflationary pressures have precipitated an increase in the CBR key rate in the six months to 30 June 2021 and an increase in the cost of our Rouble denominated debt. The compensating effects have been upward pressure on market rental rates, which has improved our property valuations and a period of relatively stable Rouble exchange rates.

The signing of a corporate loan facility during the period has also introduced an element of cross collateralisation risk across our debt portfolio.

The Group's principal risks are grouped into five categories: Political and Economic; Financial; Property Investment; Russian Domestic; and Personnel. We have illustrated in the table below how we believe that these risks have changed in the six months to 30 June 2021.



Risk	Change Since the Year End	Commentary
Political and Economic		This has been a relatively benign period for domestic and international political risks affecting the business. The summit between Presidents Putin and Biden was notable as there has been no negative fall out as a result. The market still expects additional sanctions to be introduced by the US Government on various matters and this continues to prevent any significant strengthening in the Rouble exchange rate. Domestic focus economically is on controlling rising inflation. This is a double edged sword as increasing interest rates are a downside (see the financial section below) but upward pressure on market rental levels is translating into improving property valuations.
Financial		<p>The inflationary driven increase in the CBR key rate, from 4.25% to 6.5% has increased the cost of debt on our Rouble denominated finance facilities. This is mitigated by the interest rate caps we hold, putting a ceiling on the impact on our profitability. We also expect some compensating effect on foreign currency exchange rates the longer interest rates are held at these higher levels.</p> <p>The signing of a corporate loan facility during the period has introduced an element of cross collateralisation risk across our debt portfolio. Covenant headroom on the facility is high and as with the majority of our underlying facilities, we have the ability to deposit funds temporarily to cure any breaches in the facility.</p>
Property Investment		Minimal vacancy in the market and increasing market rents are having a positive impact on property valuations.
Russian Domestic		There have been no significant events in the period that change this risk other than inflationary risks covered above.
Personnel		The Covid virus risk in Russia has not diminished in the period and the population has been slow in the take up of vaccinations. We continue to run appropriate protocols for our staffs' welfare.

## Key



Increased risk in the period



Stable risk in the period



Decreased risk in the period

**Going concern**

The Board's approach to going concern is described in note 1 to the Condensed Financial Statements.

**Directors' Responsibility Statement**

The Board confirms to the best of its knowledge:

The condensed financial statements have been prepared in accordance with IAS 34 as adopted by the European Union, and that the half year report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The names and functions of the Directors of Raven Property Group Limited are disclosed in the 2020 Annual Report of the Group.

This responsibility statement was approved by the Board of Directors on the 30 August 2021 and is signed on its behalf by

**Mark Sinclair**

Chief Financial Officer

**Colin Smith**

Chief Operating Officer



# INDEPENDENT REVIEW REPORT TO RAVEN PROPERTY GROUP LIMITED

## Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises the Condensed Unaudited Group Income Statement, the Condensed Unaudited Group Statement of Comprehensive Income, the Condensed Unaudited Group Balance Sheet, the Condensed Unaudited Group Statement of Changes in Equity, the Condensed Unaudited Group Cash Flow Statement and the related notes 1 to 23. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

## Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union.

## Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

## Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion is based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

## Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

## Ernst & Young LLP

London

30 August 2021

# CONDENSED UNAUDITED GROUP INCOME STATEMENT

For the six months ended 30 June 2021

	Notes	Six months ended 30 June 2021			Six months ended 30 June 2020		
		Underlying earnings £'000	Capital and other £'000	Total £'000	Underlying earnings £'000	Capital and other £'000	Total £'000
Gross revenue	3	70,629	–	70,629	80,627	–	80,627
Property operating expenditure and cost of sales		(18,714)	–	(18,714)	(21,008)	–	(21,008)
<b>Net rental and related income</b>	<b>3</b>	<b>51,915</b>	<b>–</b>	<b>51,915</b>	<b>59,619</b>	<b>–</b>	<b>59,619</b>
Administrative expenses	4	(9,410)	(1,842)	(11,252)	(9,996)	(889)	(10,885)
Share-based payments and other long term incentives	19	(538)	(1,353)	(1,891)	–	–	–
Foreign currency profit / (loss)		8,875	–	8,875	(23,769)	–	(23,769)
<b>Operating expenditure</b>		<b>(1,073)</b>	<b>(3,195)</b>	<b>(4,268)</b>	<b>(33,765)</b>	<b>(889)</b>	<b>(34,654)</b>
Share of (losses) / profits of joint ventures	11	(72)	2,061	1,989	(77)	–	(77)
Profit on disposal of joint venture	11	–	167	167	–	–	–
<b>Operating profit / (loss) before profits and losses on investment property</b>		<b>50,770</b>	<b>(967)</b>	<b>49,803</b>	<b>25,777</b>	<b>(889)</b>	<b>24,888</b>
Unrealised profit / (loss) on revaluation of investment property	8	–	29,438	29,438	–	(12,103)	(12,103)
Unrealised profit / (loss) on revaluation of investment property under construction	9	–	80	80	–	(360)	(360)
<b>Operating profit / (loss)</b>	<b>3</b>	<b>50,770</b>	<b>28,551</b>	<b>79,321</b>	<b>25,777</b>	<b>(13,352)</b>	<b>12,425</b>
Finance income	5	699	2,912	3,611	1,201	153	1,354
Finance expense	5	(29,882)	(3,283)	(33,165)	(33,941)	(6,495)	(40,436)
<b>Profit / (loss) before tax</b>		<b>21,587</b>	<b>28,180</b>	<b>49,767</b>	<b>(6,963)</b>	<b>(19,694)</b>	<b>(26,657)</b>
Tax	6	(4,299)	(4,302)	(8,601)	(3,413)	(1,638)	(5,051)
<b>Profit / (loss) for the period</b>		<b>17,288</b>	<b>23,878</b>	<b>41,166</b>	<b>(10,376)</b>	<b>(21,332)</b>	<b>(31,708)</b>
<b>Earnings per share:</b>	<b>7</b>						
Basic (pence)				7.32			(6.59)
Diluted (pence)				7.26			(6.59)
<b>Underlying earnings per share:</b>	<b>7</b>						
Basic (pence)		3.08			(2.16)		
Diluted (pence)		3.05			(2.16)		

The total column of this statement represents the Group's Income Statement, prepared in accordance with IFRS as adopted by the EU.

The "underlying earnings" and "capital and other" columns are both supplied as supplementary information.

Further details of the allocation of items between the supplementary columns are given in note 7.

All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of the parent company. There are no non-controlling interests.

The accompanying notes are an integral part of this statement.



# CONDENSED UNAUDITED GROUP STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Six months ended 30 June 2021 £'000	Six months ended 30 June 2020 £'000
<b>Profit / (loss) for the period</b>	<b>41,166</b>	<b>(31,708)</b>
<b>Other comprehensive income, net of tax</b>		
<i>Items to be reclassified to profit or loss in subsequent periods:</i>		
Foreign currency translation on consolidation	2,632	(54,783)
<b>Total comprehensive income for the period, net of tax</b>	<b>43,798</b>	<b>(86,491)</b>

All income is attributable to the equity holders of the parent company. There are no non-controlling interests.

The accompanying notes are an integral part of this statement.



# CONDENSED UNAUDITED GROUP BALANCE SHEET

As at 30 June 2021

	Notes	30 June 2021 £'000	31 December 2020* £'000
<b>Non-current assets</b>			
Investment property	8	1,121,516	1,089,768
Investment property under construction	9	27,116	26,952
Plant and equipment		4,809	4,673
Investment in joint ventures	11	6,976	36
Other receivables	12	50,048	14,440
Derivative financial instruments		6,169	2,541
Deferred tax assets		17,654	17,675
		<b>1,234,288</b>	<b>1,156,085</b>
<b>Current assets</b>			
Inventory		665	532
Trade and other receivables		18,371	19,381
Derivative financial instruments		16	–
Cash and short term deposits		53,082	53,122
		<b>72,134</b>	<b>73,035</b>
<b>Total assets</b>		<b>1,306,422</b>	<b>1,229,120</b>
<b>Current liabilities</b>			
Trade and other payables		35,130	39,189
Interest bearing loans and borrowings	13	25,973	29,609
		<b>61,103</b>	<b>68,798</b>
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	13	647,024	597,843
Preference shares	14	252,349	251,506
Other payables		14,019	15,255
Deferred tax liabilities		67,430	62,028
		<b>980,822</b>	<b>926,632</b>
<b>Total liabilities</b>		<b>1,041,925</b>	<b>995,430</b>
<b>Net assets</b>		<b>264,497</b>	<b>233,690</b>
<b>Equity</b>			
Share capital	16	5,665	5,914
Share premium		71,725	79,520
Own shares held	17	(10,846)	(6,351)
Capital reserve		(165,189)	(193,042)
Translation reserve		(115,847)	(118,479)
Retained earnings		478,989	466,128
<b>Total equity</b>		<b>264,497</b>	<b>233,690</b>
<b>Net asset value per share (pence):</b>	18		
Basic		51	41
Diluted		50	40

\* Restated to reflect a reallocation of balances between non-current assets and current assets (see note 1).

The accompanying notes are an integral part of this statement.



# CONDENSED UNAUDITED GROUP STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

Notes	Share Capital £'000	Share Premium £'000	Own Shares Held £'000	Convertible Preference Shares £'000	Capital Reserve £'000	Translation Reserve £'000	Retained Earnings £'000	Total £'000
At 1 January 2020	4,898	51,463	(4,582)	11,212	(234,519)	28,188	509,138	365,798
Loss for the period	–	–	–	–	–	–	(31,708)	(31,708)
Other comprehensive income	–	–	–	–	–	(54,783)	–	(54,783)
Total comprehensive income for the period	–	–	–	–	–	(54,783)	(31,708)	(86,491)
Transfer in respect of capital losses	–	–	–	–	(10,335)	–	10,335	–
At 30 June 2020	4,898	51,463	(4,582)	11,212	(244,854)	(26,595)	487,765	279,307

At 1 January 2021		5,914	79,520	(6,351)	–	(193,042)	(118,479)	466,128	233,690
Profit for the period		–	–	–	–	–	–	41,166	41,166
Other comprehensive income		–	–	–	–	–	2,632	–	2,632
Total comprehensive income for the period		–	–	–	–	–	2,632	41,166	43,798
Ordinary shares cancelled	16/17	(249)	(7,795)	1,134	–	–	–	–	(6,910)
Group's share of own shares purchased by joint venture	17	–	–	(10,800)	–	–	–	–	(10,800)
Own shares allocated	17	–	–	5,171	–	–	–	(1,805)	3,366
Share-based payments	19	–	–	–	–	–	–	1,353	1,353
Transfer in respect of capital profits		–	–	–	–	27,853	–	(27,853)	–
At 30 June 2021		5,665	71,725	(10,846)	–	(165,189)	(115,847)	478,989	264,497

The accompanying notes are an integral part of this statement.

# CONDENSED UNAUDITED GROUP CASH FLOW STATEMENT

For the six months ended 30 June 2021

	Notes	Six months ended 30 June 2021 £'000	Six months ended 30 June 2020 £'000
<b>Cash flows from operating activities</b>			
Profit / (loss) before tax		49,767	(26,657)
Adjustments for:			
Depreciation	4	789	550
Bad debts	4	–	(2)
Share of (profits) / losses of joint ventures	11	(1,989)	77
Profit on disposal of joint venture	11	(167)	–
Profit on disposal of plant and equipment	4	(87)	–
Finance income	5	(3,611)	(1,354)
Finance expense	5	33,165	40,436
Transaction costs incurred	2 / 4	1,254	–
(Profit) / loss on revaluation of investment property	8	(29,438)	12,103
(Profit) / loss on revaluation of investment property under construction	9	(80)	360
Foreign exchange (profit) / loss		(8,875)	23,769
Non-cash element of share-based payments and other long term incentives	19	1,593	–
		42,321	49,282
<i>Changes in operating working capital</i>			
(Increase) / decrease in operating receivables		(202)	4,047
Increase in other operating current assets		(133)	(106)
Decrease in operating payables		(1,553)	(6,028)
		40,433	47,195
Tax paid		(3,252)	(5,843)
<b>Net cash generated from operating activities</b>		<b>37,181</b>	<b>41,352</b>
<b>Cash flows from investing activities</b>			
Payment for property improvements		(3,085)	(4,719)
Purchase of plant and equipment		(861)	(205)
Proceeds on disposal of plant and equipment		153	–
Investment in joint ventures	11	(15,379)	–
Proceeds on disposal of joint venture	11	126	–
Loan advanced to joint venture	11 / 12	(35,731)	–
Loans repaid		350	–
Interest received		692	1,185
<b>Net cash used in investing activities</b>		<b>(53,735)</b>	<b>(3,739)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term borrowings		151,558	45,232
Repayment of long term borrowings		(80,457)	(8,544)
Loan amortisation		(12,332)	(16,150)
Bank borrowing costs paid		(19,908)	(24,136)
Ordinary shares purchased	16 / 17	(7,247)	–
Transaction costs incurred	2 / 4	(1,144)	–
Dividends paid on preference shares		(12,738)	(5,807)
Dividends paid on convertible preference shares		–	(6,364)
Proceeds from disposal of derivative financial instruments		–	131
Premium paid for derivative financial instruments		(1,354)	(2,203)
<b>Net cash generated from / (used in) financing activities</b>		<b>16,378</b>	<b>(17,841)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(176)</b>	<b>19,772</b>
Opening cash and cash equivalents		53,122	68,138
Effect of foreign exchange rate changes		136	(2,927)
<b>Closing cash and cash equivalents</b>		<b>53,082</b>	<b>84,983</b>

The accompanying notes are an integral part of this statement.



# NOTES TO THE CONDENSED UNAUDITED GROUP FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 1. Basis of accounting

### Basis of preparation

The condensed unaudited financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards adopted for use in the European Union ("IFRS") and have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The condensed financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Group's financial statements for the year ended 31 December 2020. The annual financial statements of the Group are prepared in accordance with IFRS.

### Significant accounting policies

The accounting policies adopted in the preparation of the condensed financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 December 2020, except for the adoption of new standards that became effective as of 1 January 2021. The Group has not adopted early any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the condensed financial statements of the Group.

### Going concern

The financial position of the Group, its cash flows, liquidity position, borrowings and the impact of Covid-19 are described in the Chief Executive's Review, the Corporate Governance section of this Interim Report and the notes to these condensed financial statements. Further disclosures regarding borrowings are provided in note 13 to the condensed financial statements. In assessing the Group's ability to continue to operate as a going concern, the Board has examined the latest working capital report from the date of signing this Interim Report through to 31 December 2022.

Portfolio occupancy is increasing and stands at 96% today. Market rents are also increasing, supporting higher property valuations. There have been no rent defaults throughout the period since the beginning of Covid-19, with minimal rental deferrals required at the outset of the pandemic in the second quarter of 2020. All tenant rental obligations have been met in the six months to 30 June 2021 and this is expected to continue in the period of going concern assessment. The Board has examined the position of leases which require renegotiation during the period of the going concern assessment, noting that the lease maturity profile in that period is not significant.

The Group has seventeen asset secured finance facilities. These are of varying maturity dates with limited cross collateralisation between the facilities. The normal term of these facilities is for five years with an amortisation period of between fifteen to thirty years. The Group's business model incorporates a revolving programme of refinancing of this debt portfolio, generating additional annual funds equating to, at least, the annual debt amortisation cost. Facilities are refinanced every four years on average. The Group also has the ability to deposit funds to cure breaches in the facilities.

The Group entered into a corporate facility for €60 million in April to finance the acquisition of the Company's listed instruments from its largest ordinary shareholder. This facility increases the cross collateralisation risk for the Group and this has been taken into account in the Board's assessment.

At 30 June 2021, the Group's balance sheet has strengthened with investment property valuations increasing to £1,121.5 million (31 December 2020: £1,089.8 million) and net assets to £264.5 million (31 December 2020: £233.7 million). Cash and short term deposits of £53.1 million are held (31 December 2020: £53.1 million). The secured loan to investment property valuation ratio at the period end is 58% (31 December 2020: 56%), as compared to loan to value covenants which average 70% across the debt portfolio. The loan facilities are being constantly amortised, supporting ongoing covenant compliance and preventing total loan balances increasing significantly as a result of the revolving refinancing programme.

In carrying out its assessment the Board considered plausible downsides to cash flow assumptions for the period reviewed, including consideration of any significant facility maturities arising during the going concern assessment period, noting no such instances in the period to 31 December 2022.

The Board has also considered the potential impact of a continuing increase in CBR key rates in an environment where Rouble exchange rates remain weak as a result of additional sanction fears and the potential effect these have on cash flows and banking covenants.

Cash flows, supported by high occupancy and the revolving refinancing programme, ensure the Group's continuing liquidity in all modelled scenarios and the Group's interest rate caps mitigate a substantial amount of negative impact on debt service covenants of existing secured bank facilities.

Further, the board has evaluated the impact of controllable mitigations such as reduction of capital expenditure and altering the timing of cash outflows which would further reduce any adverse impact on the Group's forecast cash flows.

Having made appropriate enquiries and examining the latest working capital report, including consideration of the principal risks facing the business and their potential impact on the Group's liquidity, the Board believes it is appropriate to prepare the condensed financial statements on a going concern basis.

### Foreign currency

The results and financial position of all the Group entities that have functional currency different from the Group's presentation currency (Sterling) are translated into the presentation currency using the following rates:

	30 June 2021	31 December 2020
Balance Sheet		
- Roubles	100.1994	100.0425
- Euro	1.1624	1.1032
	30 June 2021	30 June 2020
Income Statement *		
- Roubles	103.1110	87.3027
- Euro	1.1516	1.1441

\* These are the average rates for the six months ended 30 June 2020 and 2021, which are used unless this does not approximate the rates ruling at the dates of the relevant transactions in which case the item of income or expenditure is translated at the transaction date rate.

### Prior period amounts

Comparative amounts at 31 December 2020 have been restated to reflect a reallocation to reduce current assets, trade and other receivables, by £11.6 million and increase non-current assets, other receivables, by the same amount, reflecting the allocation of lease receivables calculated in accordance with IFRS 16 Leases. There is no impact on the loss (or loss per share) for the prior period.

## 2. Purchase, and placing, of ordinary shares and preference shares from Invesco Asset Management, related financing and joint venture arrangements

On 11 May 2021 the agreements reached with Invesco Asset Management ("Invesco") for the sale by Invesco of their holding in the Company's ordinary shares and preference shares completed. The sale was made of various constituent parts:

- the purchase by Raven Holdings Limited, a newly formed joint venture, of 100,000,000 ordinary shares and 32,500,000 preference shares and the related joint venture arrangements;
- the purchase by the Company of 9,850,350 ordinary shares;
- the placing by Singer Capital Markets, on behalf of the Company, of the remaining 46,824,074 ordinary shares and 31,071,616 preference shares held by Invesco with existing and new investors in the Company; and
- the related financing of the purchase by the Company and its investment in Raven Holdings Limited by VTB Bank ("VTB").

The sale prices for the ordinary shares and preference shares was in each case 21.6p per share and 90.8p per share, respectively.

### (a) Purchase by Raven Holdings Limited and related joint venture arrangements

On 19 April 2021 the Company entered into a new 50 : 50 joint venture, Raven Holdings Limited (see note 11), with a company owned by the Company's executive directors and certain senior managers ("Manco"). The joint venture was established solely to effect the purchase of 100,000,000 ordinary shares and 32,500,000 preference shares from Invesco, for an aggregate consideration of £51.1 million. The Company made a cash investment of £15.4 million into the joint venture and the Company's executive directors and Manco contributed 53,030,301 ordinary shares in Raven Property Group in exchange for their 50% interest in the joint venture. The balance of the purchase consideration due to Invesco was lent to Raven Holdings Limited by a wholly owned subsidiary of the Company. Details of the loan receivable from Raven Holdings Limited are provided in note 12. The joint venture is for an initial term of 5 years with an option for the Company and Manco to agree to extend the term.



In accordance with the joint venture agreement, whilst the loan between the Group and Raven Holdings Limited remains outstanding all income arising in the joint venture from the ordinary shares and preference shares purchased from Invesco will be applied for the benefit of the Group and used to pay interest due on the loan, make repayments of the loan or to be distributed to the Company. Whereas all income derived from the ordinary shares contributed by Manco will be for the benefit of Manco and distributed to Manco.

Raven Holdings Limited is a related party of the Company. See note 11 for further details of charges made by the Group to Raven Holdings Limited and the Group's other joint venture.

In applying the Group's accounting policies to its investment in Raven Holdings Limited, management had to exercise judgement in assessing whether the Group controlled Raven Holdings Limited, and thus it was considered a subsidiary of the Group, or whether it was a joint venture or associate of the Group. In accordance with IFRS 10 Consolidated Financial Statements, management considered whether the Group had power over Raven Holdings Limited, is exposed to variable returns from its involvement in Raven Holdings Limited and was able to use its power to influence those returns.

Having considered the terms of the joint venture arrangements and in particular the provisions of the joint venture agreement and the terms of the loan agreement it was concluded that the Company and Manco have joint control of Raven Holdings Limited and it is thus a joint venture of the Group.

#### (b) Purchase of ordinary shares by the Company

The Company purchased 9,850,350 ordinary shares for a total consideration of £2.1 million. All of the ordinary shares purchased were cancelled. See note 16.

#### (c) Financing arrangements with VTB

The investment by the Company in Raven Holdings Limited, together with the related loan financing provided to Raven Holdings Limited, and the Company's purchase of ordinary shares from Invesco was financed by a €60 million debt facility provided by VTB to one of the Company's wholly owned subsidiaries. The loan was drawn down in full on 29 April 2021. It is for a five year term and bears interest at 5.65% over EURIBOR.

In accordance with the VTB facility documents, VTB has been granted security over certain assets of the Group and Raven Holdings Limited. This includes secondary security over assets already financed by VTB, where it holds primary mortgage security, a charge over the ordinary shares and preference shares purchased by Raven Holdings Limited from Invesco (see note 11) and a right of assignment of the loan provided by the Group to Raven Holdings Limited (see note 12).

The amount due to VTB is included within interest bearing loans and borrowings as set out in note 13.

### 3. Segmental information

The Group has three reportable segments, which are managed and report independently to the Board of Directors.

These comprise:

Property investment - acquire, develop and lease commercial property in Russia;

Roslogistics - provision of warehousing, transport, customs brokerage and related services in Russia; and

Raven Mount - sale of residential property in the UK.

Central comprises the costs related to the corporate headquarters, IT infrastructure and other activities that are not allocated to any of the Group's reporting segments and, following the formation of the Raven Holdings Limited joint venture (see notes 2 and 11), includes the Group's share of profits or losses of Raven Holdings Limited. During the period management reassessed the allocation of certain costs between the property investment reporting segment and central and the comparative financial information has been restated accordingly.

## (a) Segmental information for the six months ended and as at 30 June 2021

For the six months ended 30 June 2021	Property Investment £'000	Roslogistics £'000	Raven Mount £'000	Segment Total £'000	Central £'000	Total £'000
Gross revenue	64,896	5,702	31	70,629	–	70,629
Operating costs / cost of sales	(15,377)	(3,354)	17	(18,714)	–	(18,714)
<b>Net rental and related income</b>	<b>49,519</b>	<b>2,348</b>	<b>48</b>	<b>51,915</b>	<b>–</b>	<b>51,915</b>
<b>Administrative expenses</b>						
Running general and administration expenses	(4,690)	(752)	(142)	(5,584)	(3,625)	(9,209)
Transaction costs	–	–	–	–	(1,254)	(1,254)
Depreciation	(519)	(175)	–	(694)	(95)	(789)
Share-based payments and other long term incentives	(563)	–	–	(563)	(1,328)	(1,891)
Foreign currency profits / (losses)	8,877	1	(3)	8,875	–	8,875
	<b>52,624</b>	<b>1,422</b>	<b>(97)</b>	<b>53,949</b>	<b>(6,302)</b>	<b>47,647</b>
Unrealised profit on revaluation of investment property	29,438	–	–	29,438	–	29,438
Unrealised profit on revaluation of investment property under construction	80	–	–	80	–	80
Share of (losses) / profits of joint ventures	–	(72)	–	(72)	2,061	1,989
Profit on disposal of joint venture	–	167	–	167	–	167
<b>Segment profit / (loss)</b>	<b>82,142</b>	<b>1,517</b>	<b>(97)</b>	<b>83,562</b>	<b>(4,241)</b>	<b>79,321</b>
Finance income						3,611
Finance expense						(33,165)
<b>Profit before tax</b>						<b>49,767</b>

As at 30 June 2021	Property Investment £'000	Roslogistics £'000	Raven Mount £'000	Total £'000
<b>Assets</b>				
Investment property	1,121,516	–	–	1,121,516
Investment property under construction	27,116	–	–	27,116
Inventory	–	–	665	665
Cash and short term deposits	51,022	1,087	973	53,082
<b>Segment assets</b>	<b>1,199,654</b>	<b>1,087</b>	<b>1,638</b>	<b>1,202,379</b>
Other non-current assets				85,656
Other current assets				18,387
<b>Total assets</b>				<b>1,306,422</b>
<b>Segment liabilities</b>				
Interest bearing loans and borrowings	672,997	–	–	672,997
<b>Capital expenditure</b>				
Payments for property improvements	3,085	–	–	3,085



# NOTES TO THE CONDENSED UNAUDITED GROUP FINANCIAL STATEMENTS

(b) Segmental information for the six months ended and as at 30 June 2020

	Property Investment £'000	Roslogistics £'000	Raven Mount £'000	Segment Total £'000	Central £'000	Total £'000
Gross revenue	73,542	7,084	1	80,627	–	80,627
Operating costs / cost of sales	(16,740)	(4,268)	–	(21,008)	–	(21,008)
<b>Net rental and related income</b>	<b>56,802</b>	<b>2,816</b>	<b>1</b>	<b>59,619</b>	<b>–</b>	<b>59,619</b>
<b>Administrative expenses</b>						
Running general and administration expenses	(4,657)	(861)	(126)	(5,644)	(4,352)	(9,996)
Aborted project costs	–	–	–	–	(339)	(339)
Depreciation	(383)	(167)	–	(550)	–	(550)
Foreign currency losses	(23,767)	(2)	–	(23,769)	–	(23,769)
	<b>27,995</b>	<b>1,786</b>	<b>(125)</b>	<b>29,656</b>	<b>(4,691)</b>	<b>24,965</b>
Unrealised loss on revaluation of investment property	(12,103)	–	–	(12,103)	–	(12,103)
Unrealised loss on revaluation of investment property under construction	(360)	–	–	(360)	–	(360)
Share of losses of joint ventures	–	(77)	–	(77)	–	(77)
<b>Segment profit / (loss)</b>	<b>15,532</b>	<b>1,709</b>	<b>(125)</b>	<b>17,116</b>	<b>(4,691)</b>	<b>12,425</b>
Finance income						1,354
Finance expense						(40,436)
<b>Loss before tax</b>						<b>(26,657)</b>

For the six months ended 30 June 2020

	Property Investment £'000	Roslogistics £'000	Raven Mount £'000	Total £'000
<b>Capital expenditure</b>				
Payments for property improvements	4,719	–	–	4,719



(c) Segmental information as at 31 December 2020

	Property Investment £'000	Roslogistics £'000	Raven Mount £'000	Total £'000
<b>Assets</b>				
Investment property	1,089,768	–	–	1,089,768
Investment property under construction	26,952	–	–	26,952
Investment in joint ventures	–	36	–	36
Inventory	–	–	532	532
Cash and short term deposits	51,323	622	1,177	53,122
<b>Segment assets</b>	<b>1,168,043</b>	<b>658</b>	<b>1,709</b>	<b>1,170,410</b>
Other non-current assets				27,763
Other current assets				30,947
<b>Total assets</b>				<b>1,229,120</b>
<b>Segment liabilities</b>				
Interest bearing loans and borrowings	627,452	–	–	627,452
<b>Capital expenditure</b>				
Property improvements	14,257	–	–	14,257

#### 4. Administrative expenses

	Six months ended 30 June 2021 £'000	Six months ended 30 June 2020 £'000
Employment costs	5,518	5,255
Directors' remuneration	1,256	1,247
Bad debts	–	(2)
Office costs	456	718
IT and communications	662	660
Insurance	128	97
Travel costs	44	404
Auditors' remuneration	352	575
Legal and professional	574	662
Profit on disposal of plant and equipment	(87)	–
Broker, PR and analyst costs	191	226
Transaction costs incurred re Invesco transaction and Raven Holdings arrangements (see notes 2 and 11)	1,254	–
Aborted project costs	–	339
Depreciation	789	550
Other administrative expenses	115	154
	<b>11,252</b>	<b>10,885</b>



## 5. Finance income and expense

	Six months ended 30 June 2021 £'000	Six months ended 30 June 2020 £'000
<b>Finance income</b>		
<i>Total interest income on financial assets not at fair value through profit or loss</i>		
Income from cash and short term deposits	692	1,186
Interest receivable from joint ventures	414	15
<i>Other finance income</i>		
Change in fair value of open interest rate derivative financial instruments	2,505	153
<b>Finance income</b>	<b>3,611</b>	<b>1,354</b>
<b>Finance expense</b>		
Interest expense on loans and borrowings measured at amortised cost	20,074	23,224
Interest expense on preference shares	13,101	6,192
Interest expense on convertible preference shares	–	9,987
Other interest expense*	(316)	(642)
Total interest expense on financial liabilities not at fair value through profit or loss	32,859	38,761
Change in fair value of open interest rate derivative financial instruments	306	1,675
<b>Finance expense</b>	<b>33,165</b>	<b>40,436</b>

\* comparative restated to align presentation of finance income and finance expense with 2020 Annual Report

## 6. Taxation

The tax expense for the period comprises:

	Six months ended 30 June 2021 £'000	Six months ended 30 June 2020 £'000
Current taxation	3,200	2,930
Deferred taxation		
On the origination and reversal of temporary differences	5,621	1,391
On unrealised foreign exchange movements in loans	(220)	730
<b>Tax charge</b>	<b>8,601</b>	<b>5,051</b>

The tax charge for the period can be reconciled to the profit per the Income Statement as follows:

	Six months ended 30 June 2021 £'000	Six months ended 30 June 2020 £'000
Profit / (loss) before tax	49,767	(26,657)
Tax at the Russian corporate tax rate of 20%	9,953	(5,331)
Tax effect of financing arrangements	1,781	1,548
Tax effect of fair value movement on open interest rate derivative financial instruments	(228)	143
Tax effect of non deductible preference share interest	2,620	3,236
Tax effect of foreign exchange movements	(1,396)	3,689
Movement in provision for uncertain tax positions	(864)	(1,779)
Tax effect of other income not subject to tax and non-deductible expenses	1,016	546
Tax effect of property depreciation on revaluations	(4,148)	1,021
Tax on dividends and other inter company gains	687	1,105
Net movement in unprovided deferred tax assets	(820)	873
	<b>8,601</b>	<b>5,051</b>

The tax effect of financing arrangements reflects the impact of intra group funding in each jurisdiction. Foreign exchange movements on intra group financing are taxable or tax deductible in Russia but not in other jurisdictions. In accordance with its accounting policy, the Group is required to estimate its provision for uncertain tax positions and the movement in the provision is reflected above. Other income and expenditure not subject to tax arises in Guernsey.



## 7. Earnings measures

In addition to reporting IFRS earnings the Group also reports its own underlying earnings measure. The Directors consider underlying earnings to be a key performance measure, as this is the measure used by Management to assess the return on holding investment assets for the long term and the Group's ability to declare covered distributions. As a consequence the underlying earnings measure excludes investment property revaluations, gains or losses on the disposal of investment property, gains and losses on derivative financial instruments, share-based payments and other long term incentives (to the extent not settled in cash), the accretion of premiums payable on redemption of preference shares and convertible preference shares, depreciation, profits and losses of the Raven Holdings Limited joint venture including related interest income received and financing costs, and amortisation of loan origination costs (as these represent non-cash expenses that do not affect the ability to declare covered distributions); and material non-recurring items, together with any related tax.

The Group is also required to report Headline earnings per share as required by the listing requirements of the Johannesburg Stock Exchange.

The calculation of basic and diluted earnings per share is based on the following data:

	Six months ended 30 June 2021		Six months ended 30 June 2020	
	£'000	£'000	£'000	£'000
<i>Earnings</i>				
<b>Net profit / (loss) for the period prepared under IFRS</b>		<b>41,166</b>		<b>(31,708)</b>
Adjustments to arrive at underlying earnings:				
<i>Administration expenses</i>				
Depreciation	789		550	
Less depreciation related to office leases	(201)		–	
Aborted project costs	–		339	
Transaction costs incurred	1,254		–	
		1,842		889
Share-based payments and other long term incentives		1,353		–
Share of profits of joint ventures		(2,061)		–
Profit on disposal of joint venture		(167)		–
Unrealised (profit) / loss on revaluation of investment property		(29,438)		12,103
Unrealised (profit) / loss on revaluation of investment property under construction		(80)		360
<i>Finance income</i>				
Interest receivable from Raven Holdings Limited	(407)		–	
Change in fair value of open interest rate derivative financial instruments	(2,505)		(153)	
		(2,912)		(153)
<i>Finance expense</i>				
Change in fair value of open interest rate derivative financial instruments	306		1,675	
Premium on redemption of preference shares and amortisation of issue costs	203		181	
Premium on redemption of convertible preference shares and amortisation of issue costs	–		3,622	
Interest expense on loan related to Invesco / Raven Holdings arrangements	547		–	
Amortisation of loan origination costs	2,227		1,017	
		3,283		6,495
<i>Tax</i>				
Movement on deferred tax arising on depreciation and revaluation of investment property	4,364		856	
Movement on deferred tax arising on open interest rate derivative financial instruments	211		–	
Tax on unrealised foreign exchange movements in loans	(273)		782	
		4,302		1,638
<b>Underlying earnings</b>		<b>17,288</b>		<b>(10,376)</b>

	Six months ended 30 June 2021 £'000	Six months ended 30 June 2020 £'000
<b>Calculation of Headline earnings</b>		
<b>Net profit / (loss) for the period prepared under IFRS</b>	<b>41,166</b>	<b>(31,708)</b>
<i>Adjustments to arrive at Headline earnings:</i>		
Unrealised (profit) / loss on revaluation of investment property	(29,438)	12,103
Unrealised (profit) / loss on revaluation of investment property under construction	(80)	360
Movement on deferred tax arising on revaluation of investment property	1,832	(2,128)
<b>Headline earnings</b>	<b>13,480</b>	<b>(21,373)</b>

	30 June 2021 Weighted average shares No. '000			30 June 2020 Weighted average shares No. '000		
IFRS	Earnings £'000		EPS Pence	Earnings £'000		EPS Pence
Basic	41,166	562,051	7.32	(31,708)	480,828	(6.59)
Effect of dilutive potential ordinary shares:						
Five Year Performance Plan (note 19)	–	5,046		–	–	
Convertible preference shares (note 15)	–	–		–	–	
<b>Diluted</b>	<b>41,166</b>	<b>567,097</b>	<b>7.26</b>	<b>(31,708)</b>	<b>480,828</b>	<b>(6.59)</b>

	30 June 2021 Weighted average shares No. '000			30 June 2020 Weighted average shares No. '000		
Underlying earnings	Earnings £'000		EPS Pence	Earnings £'000		EPS Pence
Basic	17,288	562,051	3.08	(10,376)	480,828	(2.16)
Effect of dilutive potential ordinary shares:						
Five Year Performance Plan (note 19)	–	5,046		–	–	
Convertible preference shares (note 15)	–	–		–	–	
<b>Diluted</b>	<b>17,288</b>	<b>567,097</b>	<b>3.05</b>	<b>(10,376)</b>	<b>480,828</b>	<b>(2.16)</b>

	30 June 2021 Weighted average shares No. '000			30 June 2020 Weighted average shares No. '000		
Headline earnings	Earnings £'000		EPS Pence	Earnings £'000		EPS Pence
Basic	13,480	562,051	2.40	(21,373)	480,828	(4.45)
Effect of dilutive potential ordinary shares:						
Five Year Performance Plan (note 19)	–	5,046		–	–	
Convertible preference shares (note 15)	–	–		–	–	
<b>Diluted</b>	<b>13,480</b>	<b>567,097</b>	<b>2.38</b>	<b>(21,373)</b>	<b>480,828</b>	<b>(4.45)</b>



## 8. Investment property

Asset class Location Fair value hierarchy*	Logistics Moscow Level 3 £'000	Logistics St Petersburg Level 3 £'000	Logistics Regions Level 3 £'000	Office St Petersburg Level 3 £'000	30 June 2021 Total £'000
Market value at 1 January 2021	763,298	142,943	140,428	55,849	1,102,518
Property improvements	2,920	15	675	219	3,829
Unrealised profit / (loss) on revaluation	22,986	5,804	2,244	(1,316)	29,718
On translation to presentation currency	(1,116)	(224)	(199)	(82)	(1,621)
<b>Market value at 30 June 2021</b>	<b>788,088</b>	<b>148,538</b>	<b>143,148</b>	<b>54,670</b>	<b>1,134,444</b>
Tenant incentives and contracted rent uplift balances	(9,389)	(2,691)	(597)	(1,146)	(13,823)
Head lease obligations	895	–	–	–	895
<b>Carrying value at 30 June 2021</b>	<b>779,594</b>	<b>145,847</b>	<b>142,551</b>	<b>53,524</b>	<b>1,121,516</b>
<i>Revaluation movement in the period ended 30 June 2021</i>					
Gross revaluation	22,986	5,804	2,244	(1,316)	29,718
Movement on tenant incentives and contracted rent uplift balances	(526)	373	1	(20)	(172)
Impact of translation to presentation currency	(46)	(59)	(1)	(2)	(108)
<b>Revaluation reported in the Income Statement</b>	<b>22,414</b>	<b>6,118</b>	<b>2,244</b>	<b>(1,338)</b>	<b>29,438</b>

Asset class Location Fair value hierarchy*	Logistics Moscow Level 3 £'000	Logistics St Petersburg Level 3 £'000	Logistics Regions Level 3 £'000	Office St Petersburg Level 3 £'000	31 December 2020 Total £'000
Market value at 1 January 2020	945,326	171,990	171,360	65,786	1,354,462
Property improvements	10,717	(17)	914	615	12,229
Unrealised (loss) / profit on revaluation	(13,416)	3,460	596	1,923	(7,437)
On translation to presentation currency	(179,329)	(32,490)	(32,442)	(12,475)	(256,736)
<b>Market value at 31 December 2020</b>	<b>763,298</b>	<b>142,943</b>	<b>140,428</b>	<b>55,849</b>	<b>1,102,518</b>
Tenant incentives and contracted rent uplift balances	(8,863)	(3,064)	(598)	(1,126)	(13,651)
Head lease obligations	901	–	–	–	901
<b>Carrying value at 31 December 2020</b>	<b>755,336</b>	<b>139,879</b>	<b>139,830</b>	<b>54,723</b>	<b>1,089,768</b>
<i>Revaluation movement in the year ended 31 December 2020</i>					
Gross revaluation	(13,416)	3,460	596	1,923	(7,437)
Movement on tenant incentives and contracted rent uplift balances	3,168	728	569	(115)	4,350
Impact of translation to presentation currency	(1,360)	(194)	(211)	(191)	(1,956)
<b>Revaluation reported in the Income Statement</b>	<b>(11,608)</b>	<b>3,994</b>	<b>954</b>	<b>1,617</b>	<b>(5,043)</b>

\*Classified in accordance with the fair value hierarchy. There were no transfers between fair value hierarchy in 2020 or 2021.

At 30 June 2021 the Group has pledged investment property with a value of £1,134 million (31 December 2020: £1,103 million) to secure banking facilities granted to the Group (note 13).

## 9. Investment property under construction

Asset class Location Fair value hierarchy*	Assets under construction			Land Bank	30 June
	Moscow	Regions		Regions	2021
	Level 3	Level 3	Sub-total	Level 3	Total
	£'000	£'000	£'000	£'000	£'000
Market value at 1 January 2021	16,976	7,477	24,453	2,202	26,655
Costs incurred	–	1	1	–	1
On translation to presentation currency	(27)	(12)	(39)	(3)	(42)
Unrealised profit on revaluation	43	37	80	–	80
<b>Market value at 30 June 2021</b>	<b>16,992</b>	<b>7,503</b>	<b>24,495</b>	<b>2,199</b>	<b>26,694</b>
Head lease obligations	422	–	422	–	422
<b>Carrying value at 30 June 2021</b>	<b>17,414</b>	<b>7,503</b>	<b>24,917</b>	<b>2,199</b>	<b>27,116</b>

Asset class Location Fair value hierarchy*	Assets under construction			Land Bank	31 December
	Moscow	Regions		Regions	2020
	Level 3	Level 3	Sub-total	Level 3	Total
	£'000	£'000	£'000	£'000	£'000
Market value at 1 January 2020	21,625	9,146	30,771	2,714	33,485
Costs incurred	4	–	4	–	4
On translation to presentation currency	(4,084)	(1,727)	(5,811)	(512)	(6,323)
Unrealised (loss) / profit on revaluation	(569)	58	(511)	–	(511)
<b>Market value at 31 December 2020</b>	<b>16,976</b>	<b>7,477</b>	<b>24,453</b>	<b>2,202</b>	<b>26,655</b>
Head lease obligations	297	–	297	–	297
<b>Carrying value at 31 December 2020</b>	<b>17,273</b>	<b>7,477</b>	<b>24,750</b>	<b>2,202</b>	<b>26,952</b>

\*Classified in accordance with the fair value hierarchy. There were no transfers between fair value hierarchy in 2020 or 2021.

No borrowing costs were capitalised in the period (31 December 2020: £nil).

At 30 June 2021 the Group has pledged investment property under construction with a value of £24.5 million (31 December 2020: £24.5 million) to secure banking facilities granted to the Group (note 13).



## 10. Valuation assumptions and key inputs

In preparing their valuations at 30 June 2021, JLL have specifically referred to the uncertainty caused in the Russian real estate market by Covid-19. JLL comment that there is some ongoing uncertainty over future economic performance due to the unclear path of the pandemic. Activity is robust in both the occupational and investment markets. However, the future uncertainty does mean that market values can change frequently in current conditions.

Class of property	Carrying amount		Valuation technique	Input	Range	
	30 June 2021 £'000	31 December 2020 £'000			30 June 2021	31 December 2020
<b>Completed investment property</b>						
Moscow - Logistics	779,594	755,336	Discounted cash flow	ERV per sqm	Rub 4,100 to Rub 5,400	Rub 3,700 to Rub 5,200
				ERV growth	5% to 6%	5% to 6%
				Discount rate	8.5% to 11.6%	8.5% to 11.7%
				Exit cap rate	10% to 11%	10% to 11%
				Vacancy rate	0% to 33%	0% to 25%
				Passing rent per sqm	\$103 to \$165	\$103 to \$165
				Passing rent per sqm	Rub 3,569 to Rub 9,880	Rub 3,308 to Rub 9,538
				Passing rent per sqm	–	€131
St Petersburg - Logistics	145,847	139,879	Discounted cash flow	ERV per sqm	Rub 4,400	Rub 4,000 to Rub 4,150
				ERV growth	5%	5% to 6%
				Discount rate	12.3% to 12.5%	12.2% to 12.3%
				Exit cap rate	11.25%	11.25%
				Vacancy rate	0% to 15%	0% to 15%
				Passing rent per sqm	\$130 to \$145	\$126 to \$141
				Passing rent per sqm	Rub 3,623 to Rub 5,001	Rub 3,555 to Rub 5,333
Regional - Logistics	142,551	139,830	Discounted cash flow	ERV per sqm	Rub 4,000 to Rub 4,250	Rub 3,800 to Rub 4,200
				ERV growth	5%	5% to 6%
				Discount rate	10.75% to 12.50%	10.75% to 12.20%
				Exit cap rate	11.25%	11.25%
				Vacancy rate	0% to 5%	0% to 4%
				Passing rent per sqm	Rub 3,000 to Rub 21,153	Rub 3,000 to Rub 21,433
St Petersburg - Office	53,524	54,723	Discounted cash flow	ERV per sqm	Rub 12,000 to Rub 12,500	Rub 12,000 to Rub 12,500
				ERV growth	2%	2% to 4%
				Discount rate	11.75% to 12.00%	11.75% to 12.00%
				Exit cap rate	10.75% to 11.75%	10.75% to 11.75%
				Vacancy rate	0% to 5%	0% to 5%
				Passing rent per sqm	Rub 9,091 to Rub 24,155	Rub 8,340 to Rub 24,155



Other key information	Description	Range	
		30 June 2021	31 December 2020
Moscow - Logistics	Land plot ratio	34% - 65%	34% - 65%
	Age of building	3 to 16 years	3 to 16 years
	Outstanding costs (£'000)	2,963	2,333
St Petersburg - Logistics	Land plot ratio	48% - 57%	48% - 57%
	Age of building	6 to 13 years	6 to 12 years
	Outstanding costs (£'000)	13	12
Regional - Logistics	Land plot ratio	48% - 61%	48% - 61%
	Age of building	11 years	11 years
	Outstanding costs (£'000)	748	455
St Petersburg - Office	Land plot ratio	148% to 496%	148% to 496%
	Age of building	12 to 15 years	12 to 14 years
	Outstanding costs (£'000)	214	55

Investment property under construction	Carrying amount		Valuation technique	Inputs	Range	
	30 June 2021 £'000	31 December 2020 £'000			30 June 2021	31 December 2020
Moscow - Logistics	17,414	17,273	Comparable	Value per ha	Rub 30m to Rub 34.1m	Rub 30.1m to Rub 33.8m
Regional - Logistics	7,503	7,477	Comparable	Value per ha	Rub 10.2m to Rub 20.8m	Rub 10.3m to Rub 20.6m

## 11. Investment in joint ventures

The Group had two joint ventures in the period: the Ruconnect logistics joint venture, which it sold in the period; and the newly formed Raven Holdings joint venture.

On 19 April 2021 the Company entered into a new joint venture, Raven Holdings Limited, with a company owned by the Company's executive directors and certain senior managers. Raven Holdings Limited is incorporated in Guernsey. Further details relating to the activities of the Raven Holdings joint venture are provided in note 2(a).

The Group's interest in each joint venture has been accounted for using the equity method.

Summarised aggregated financial information of the joint ventures, prepared under IFRS, and a reconciliation with the carrying amount of the investments in the consolidated financial statements are set out below:

	30 June 2021 £'000	31 December 2020 £'000
<b>Summarised Balance Sheet</b>		
Non-current assets		
Investment in Raven Property Group preference shares	37,941	–
Investment in Raven Property Group ordinary shares	20,925	–
Receivable for ordinary shares contributed	9,262	–
Other non-current assets	–	247
Cash and short term deposits	1,916	17
Other current assets	987	256
Current liabilities	(421)	(2)
Non-current liabilities	(35,731)	(926)
<b>Net assets / (liabilities) attributable to the joint venturers</b>	<b>34,879</b>	<b>(408)</b>



# NOTES TO THE CONDENSED UNAUDITED GROUP FINANCIAL STATEMENTS

	30 June 2021 £'000	31 December 2020 £'000
<b>Investment in joint ventures</b>		
Goodwill on acquisition	–	211
Share of net assets / (liabilities)	17,438	(175)
Allocation of reciprocal interest in Raven Property Group ordinary shares to own shares (see note 17)	(10,462)	–
<b>Carrying value</b>	<b>6,976</b>	<b>36</b>

	30 June 2021 £'000	31 December 2020 £'000
Carrying value at 1 January	36	189
Investment in the period	15,379	–
Allocation to own shares on purchase	(10,800)	–
Add: Share of Raven Holdings participation in tender offer	338	–
Net allocation to own shares (see note 17)	(10,462)	–
Share of total comprehensive income / (expense) for the period	1,989	(127)
Proceeds on disposal of joint venture	(126)	–
Profit on disposal of joint venture	167	–
On translation to presentation currency	(7)	(26)
<b>Carrying value at 30 June / 31 December</b>	<b>6,976</b>	<b>36</b>

	Six months ended 30 June 2021 £'000	Six months ended 30 June 2020 £'000
<b>Summarised Statement of Comprehensive Income</b>		
Gross revenue	557	433
Cost of sales	(673)	(522)
Administrative expenses	(43)	(63)
Finance income	2,224	–
Finance expense	(434)	(39)
Change in fair value of preference shares	8,431	–
Discount on ordinary shares contributed	(6,117)	–
<b>Profit / (loss) before tax</b>	<b>3,945</b>	<b>(191)</b>
Tax	(2)	(3)
<b>Profit / (loss) for the period</b>	<b>3,943</b>	<b>(194)</b>
Other comprehensive income	–	2
<b>Total comprehensive income / (expense)</b>	<b>3,943</b>	<b>(192)</b>
<b>Group's share of total comprehensive income / (expense) for the period</b>	<b>1,989</b>	<b>(77)</b>

The Group's joint ventures had no contingent liabilities or capital commitments as at 30 June 2021 and 31 December 2020. The Group's joint ventures cannot distribute their profits until they obtain the consent from the joint venture partners.

The Group charged its joint ventures £13k (2020: £17k) for services rendered to them during the period and advanced funds to cover operating costs, of which £42k (2020: £38k) was included in receivables at the balance sheet date. The Group has also advanced loans to its joint ventures of £35.7 million (2020: £275k) generating interest income of £414k. During the period the Group disposed of its' interest in Ruconnect and the loan of £275k was repaid in full.

## 12. Other receivables

	30 June 2021 £'000	31 December 2020 £'000
Loan receivable from joint venture	35,731	–
Trade receivables	12,018	11,567
Restricted cash	76	76
VAT recoverable	2,065	2,583
Prepayments and other receivables	158	214
	<b>50,048</b>	<b>14,440</b>

The loan receivable from joint venture was advanced in the period to Raven Holdings Limited, see notes 2(a) and 11. The loan bears interest at a fixed interest rate of 6.65% per annum and is repayable on or before 29 October 2026.

## 13. Interest bearing loans and borrowings

	30 June 2021 £'000	31 December 2020 £'000
<b>Bank loans</b>		
Loans due for settlement within 12 months	25,973	29,609
Loans due for settlement after 12 months	647,024	597,843
	<b>672,997</b>	<b>627,452</b>
The Group's borrowings have the following maturity profile:		
On demand or within one year	25,973	29,609
In the second year	22,095	23,462
In the third to fifth years	564,086	520,540
After five years	60,843	53,841
	<b>672,997</b>	<b>627,452</b>

The amounts above include unamortised loan origination costs of £6.1 million (31 December 2020: £5.6 million) and interest accruals of £0.9 million (31 December 2020: £0.8 million).

The Group's interest bearing loans and borrowings have a weighted average interest rate of 6.37% (2020: 5.48%) and a weighted average term to maturity of 3.8 years (2020: 4.1 years).



#### 14. Preference shares

	30 June 2021 £'000	31 December 2020 £'000
<b>Issued share capital:</b>		
At 1 January	251,506	110,324
Reissued in the period	480	–
Premium on redemption of preference shares and amortisation of issue costs	203	373
Scrip dividends	160	386
Movement on accrual for preference dividends	–	39
Issued on re-designation of convertible preference shares	–	140,384
<b>At 30 June / 31 December</b>	<b>252,349</b>	<b>251,506</b>

	30 June 2021 Number	31 December 2020 Number
<b>Issued share capital:</b>		
At 1 January	214,955,406	100,068,218
Reissued in the period	412,016	–
Scrip dividends	117,969	287,976
Issued on re-designation of convertible preference shares	–	114,599,212
<b>At 30 June / 31 December</b>	<b>215,485,391</b>	<b>214,955,406</b>
Shares in issue	216,444,641	216,326,672
Held by the Company's Employee Benefit Trusts	(959,250)	(1,371,266)
<b>At 30 June / 31 December</b>	<b>215,485,391</b>	<b>214,955,406</b>

#### 15. Convertible preference shares

On 31 July 2020 the Company's shareholders approved the re-designation of the convertible preference share capital into new ordinary shares and new preference shares. Under the re-designation holders of convertible preference shares received 0.6108 new ordinary shares and 0.5849 new preference shares for each convertible preference share held. The re-designation was effective 30 September 2020.

## 16. Share capital

	30 June 2021 £'000	31 December 2020 £'000
<b>Issued share capital</b>		
At 1 January	5,914	4,898
Repurchased and cancelled in the period / year by tender offer	(128)	(194)
Repurchased and cancelled in the period / year from Invesco (see note 2(b))	(99)	–
Issued on re-designation of convertible preference shares	–	1,210
Own shares cancelled (see note 17)	(22)	–
<b>At 30 June / 31 December</b>	<b>5,665</b>	<b>5,914</b>

	30 June 2021 Number	31 December 2020 Number
<b>Issued share capital</b>		
At 1 January	591,353,766	489,746,016
Repurchased and cancelled in the period / year by tender offer	(12,797,072)	(19,438,653)
Repurchased and cancelled in the period / year from Invesco (see note 2(b))	(9,850,350)	–
Issued on re-designation of convertible preference shares	–	121,046,403
Own shares cancelled (see note 17)	(2,212,974)	–
<b>At 30 June / 31 December</b>	<b>566,493,370</b>	<b>591,353,766</b>

Details of own shares held are given in note 17.

## 17. Own shares held

	30 June 2021 £'000	31 December 2020 £'000
At 1 January	(6,351)	(4,582)
Acquired under a tender offer	–	(2,160)
Issued on re-designation of convertible preference shares	–	(409)
Group's share of ordinary shares acquired by Raven Holdings Limited from Invesco (see notes 2(a) and 11)	(10,800)	–
Share of ordinary shares held by Raven Holdings Limited cancelled under a tender offer (see note 11)	338	–
Allocation to satisfy Annual Performance Incentive / other staff bonuses (note 19)	5,171	800
Cancelled	796	–
<b>At 30 June / 31 December</b>	<b>(10,846)</b>	<b>(6,351)</b>

	30 June 2021 Number	31 December 2020 Number
At 1 January	14,682,576	8,918,186
Acquired under a tender offer	–	6,000,000
Issued on re-designation of convertible preference shares	–	1,372,602
Group's share of ordinary shares acquired by Raven Holdings Limited from Invesco (see notes 2(a) and 11)	50,000,000	–
Share of ordinary shares held by Raven Holdings Limited cancelled under a tender offer (see note 11)	(11,488,987)	(1,608,212)
Allocation to satisfy Annual Performance Incentive / other staff bonuses (note 19)	(1,562,500)	–
Cancelled	(2,212,974)	–
<b>At 30 June / 31 December</b>	<b>49,418,115</b>	<b>14,682,576</b>



## 18. Net asset value per share

	30 June 2021 Number	31 December 2020 Number
Number of ordinary shares (note 16)	566,493,370	591,353,766
Less own shares held (note 17)	(49,418,115)	(14,682,576)
	<b>517,075,255</b>	<b>576,671,190</b>

	30 June 2021			31 December 2020		
	Net asset value £'000	Ordinary shares No. '000	Net asset value per share Pence	Net asset value £'000	Ordinary shares No. '000	Net asset value per share Pence
Net asset value per share	264,497	517,075	51	233,690	576,671	41
Effect of dilutive potential ordinary shares:						
Five Year Performance Plan	–	10,904		–	6,375	
<b>Fully diluted net asset value per share</b>	<b>264,497</b>	<b>527,979</b>	<b>50</b>	<b>233,690</b>	<b>583,046</b>	<b>40</b>

The number of potential ordinary shares is the total number of ordinary shares assuming the exercise of all potential ordinary shares less those not expected to vest.

## 19. Share-based payments and other long term incentives

	Six months ended 30 June 2021 £'000	Six months ended 30 June 2020 £'000
<b>Income statement charge for the period</b>		
Annual Performance Incentive 2019	169	–
Annual Performance Incentive 2020	600	–
Other staff bonuses	(231)	–
Five Year Performance Plan	1,353	–
	<b>1,891</b>	<b>–</b>
<b>To be satisfied by allocation of:</b>		
Ordinary shares	1,113	–
Preference shares	480	–
Cash*	298	–
	<b>1,891</b>	<b>–</b>

\*Monetary amount of shares withheld from awards to certain executives to settle tax obligations arising on the awards.

On 25 May 2021 the Company settled the outstanding amounts due under the 2019 and 2020 Annual Performance Incentives. In respect of the 2020 Annual Performance Incentive, certain executives agreed to preference shares rather than cash, and as consequence the expense has been reflected as a share-based payment with a corresponding adjustment to directors' remuneration in the period. At 30 June 2021 there is no outstanding creditor in respect of the Group's IFRS 2 expense (31 December 2020: £3.6 million).

## 20. Ordinary dividends

The Company did not declare a final dividend for the year ended 31 December 2020 (2019: none) and instead implemented a tender offer buy back for ordinary shares on 18 June 2021 on the basis of 1 in every 32 ordinary shares held and a tender price of 40 pence per share, the equivalent of a final dividend of 1.25 pence per share (2019: 1 in every 16 shares at 36p per share the equivalent of 2.25p per share).

## 21. Fair value measurement

Set out below is a comparison of the carrying amounts and fair value of the Group's financial instruments as at the balance sheet date:

	30 June 2021		31 December 2020	
	Carrying Value £'000	Fair Value £'000	Carrying Value £'000	Fair Value £'000
<b>Non-current assets</b>				
Trade receivables	12,018	9,940	11,567	9,876
Loan receivable from joint venture	35,731	35,731	–	–
Other non current receivables	–	–	24	23
Restricted cash	76	71	76	71
Derivative financial instruments	6,169	6,169	2,541	2,541
<b>Current assets</b>				
Trade receivables	10,607	10,607	9,830	9,830
Other current receivables	1,088	1,088	2,078	2,078
Derivative financial instruments	16	16	–	–
Cash and short term deposits	53,082	53,082	53,122	53,122
<b>Non-current liabilities</b>				
Interest bearing loans and borrowings	647,024	650,906	597,843	603,440
Preference shares	252,349	251,040	251,506	236,451
Rent deposits	11,805	9,183	13,119	9,907
Other payables	2,214	2,214	2,135	2,135
<b>Current liabilities</b>				
Interest bearing loans and borrowings	25,973	25,973	29,609	29,609
Rent deposits	4,665	4,665	4,041	4,041
Other payables	4,821	4,821	3,827	3,827



### Fair value hierarchy

The following table provides the fair value measurement hierarchy\* of the Group's assets and liabilities.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total Fair Value £'000
<b>As at 30 June 2021</b>				
<b>Assets measured at fair value</b>				
Investment property	–	–	1,121,516	1,121,516
Investment property under construction	–	–	27,116	27,116
Derivative financial instruments	–	6,169	–	6,169
<b>As at 31 December 2020</b>				
<b>Assets measured at fair value</b>				
Investment property	–	–	1,089,768	1,089,768
Investment property under construction	–	–	26,952	26,952
Derivative financial instruments	–	2,541	–	2,541

\* Explanation of the fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities that can be accessed at the balance sheet date.

Level 2 - Use of a model with inputs that are directly or indirectly observable market data.

Level 3 - Use of a model with inputs that are not based on observable market data.

The Group's interest rate derivative financial instruments comprise interest rate caps. These contracts are valued using a discounted cash flow model and consideration is given to the Group's own credit risk.

## 22. Reconciliation of liabilities arising from financing activities

	2020 £'000	Cash flows £'000	Fair value £'000	Non-cash changes Foreign exchange £'000	Other £'000	2021 £'000
<b>For the six months ended 30 June 2021</b>						
Interest bearing loans and borrowings	627,452	56,911	–	(12,734)	1,368	672,997
Preference shares	251,506	–	–	–	843	252,349
Derivative financial instruments	(2,541)	(1,354)	(2,199)	(91)	–	(6,185)
	<b>876,417</b>	<b>55,557</b>	<b>(2,199)</b>	<b>(12,825)</b>	<b>2,211</b>	<b>919,161</b>

	2019 £'000	Cash flows £'000	Fair value £'000	Non-cash changes Foreign exchange £'000	Other £'000	2020 £'000
<b>For the six months ended 30 June 2020</b>						
Interest bearing loans and borrowings	683,341	17,618	–	(4,692)	1,095	697,362
Preference shares	110,324	–	–	–	385	110,709
Convertible preference shares	217,482	–	–	–	3,622	221,104
Derivative financial instruments	(2,621)	(2,072)	1,522	188	–	(2,983)
	<b>1,008,526</b>	<b>15,546</b>	<b>1,522</b>	<b>(4,504)</b>	<b>5,102</b>	<b>1,026,192</b>



	30 June 2021		30 June 2020	
	£'000	£'000	£'000	£'000
Cash flows relating to interest bearing loans and borrowings comprise:				
Proceeds from long term borrowings		151,558		45,232
Repayment of long term borrowings	(80,457)		(8,544)	
Add: payments to restricted cash	–		(1,454)	
		(80,457)		(9,998)
Loan amortisation		(12,332)		(16,150)
Bank borrowing costs paid	(19,908)		(24,136)	
Add: Interest paid	18,050		22,670	
Loan origination costs incurred		(1,858)		(1,466)
		<b>56,911</b>		<b>17,618</b>

Other non-cash changes include amortisation of origination costs, movements in interest accruals, scrip dividends on preference shares, accretion of premiums payable on redemption of preference and convertible preference shares and the reissue of preference shares in the period to settle share-based payments.

### 23. Post balance sheet events

In the year to 31 December 2020 the Group made a provision for a legal claim of Rub 255 million in respect of a vexatious claim brought against one of the Group's Russian subsidiaries by the receiver of a tenant who declared bankruptcy in 2018. The Group pursued all possible remedies and on 12 August 2021 the claim was dismissed by the Supreme Court of Russia. The claimant has the right to appeal to the Supreme Court Presidium within 3 months of the Supreme Court decision.



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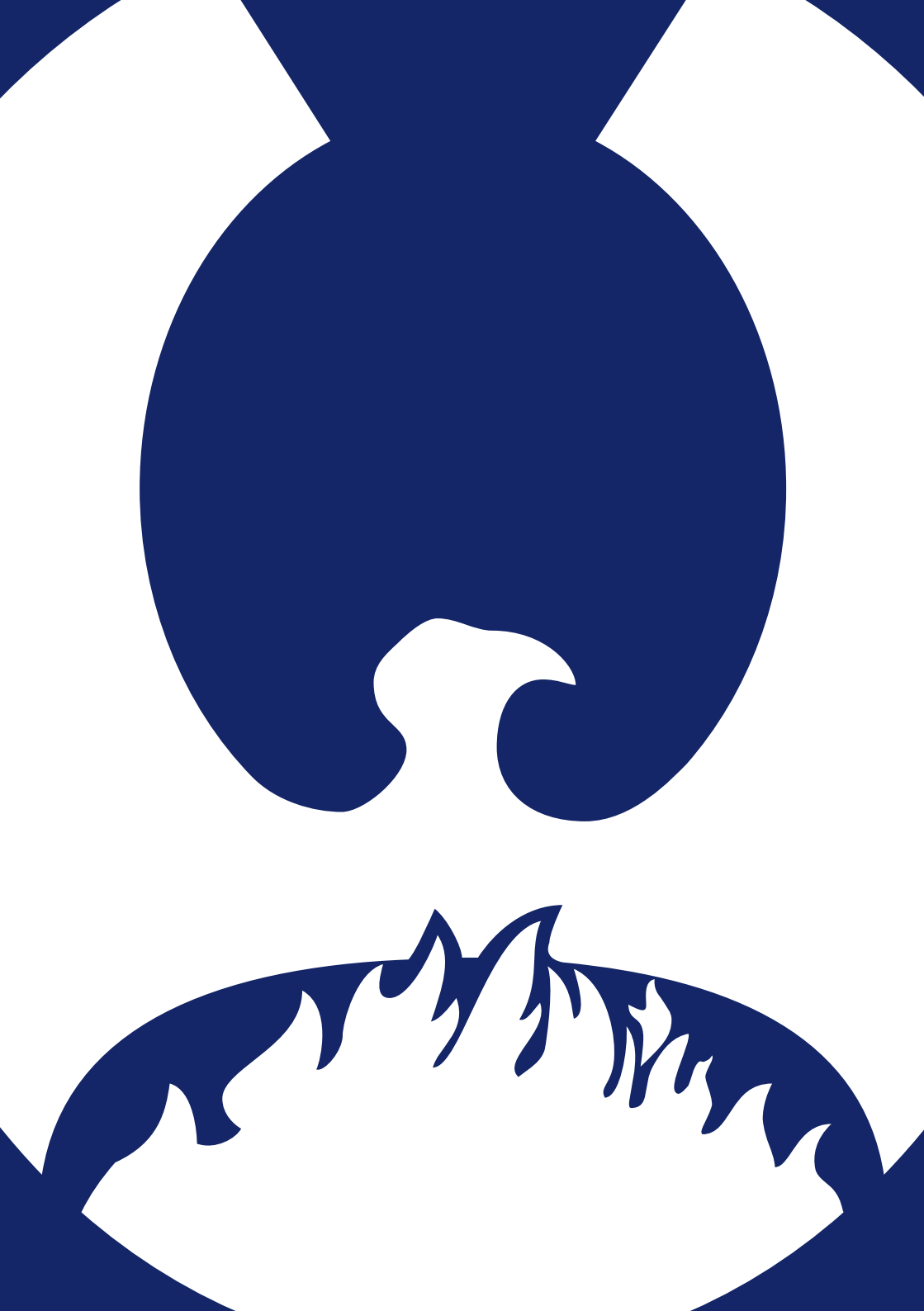
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