SHOPPING MALLS
FINANCE P.L.C.

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Notice of Material Variance

Date of Announcement 15th April 2021

The following is a company announcement issued by D Shopping Malls Finance plc (the Company) pursuant to Rule 4.11.03 and 4.11.12 of the Prospects Rules, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange ("Prospects MTF").

QUOTE

The Board of Directors note that the profit before tax for the financial statements of the Group, composed of D Shopping Malls Limited and D Shopping Malls Finance plc for the year ended 31 December 2020 ('2020 AFS') totalled €1,156k. This represents an adverse material variance of €317k from the 2020 projections that were published in the Financial Sustainability Forecast on 30 December 2019 by way of company announcement DSM 14 ('the Projections'), given that the Projections had forecasted a profit before tax of €1,473k.

This difference is mainly attributable to an adverse material variance between revenue (including other income) of €229k, given that revenues in the 2020 AFS were €3,208k (Projections: €3,437k). This variance is mainly due to a slower take up by tenants in D Malls since it was inaugurated on 21 November 2020 and not February 2020 as indicated in the Projections. Furthermore, the Group provided one-off discounts to tenants in Center Parc, Qormi due to closure of outlets in accordance with COVID-19 mitigation measures introduced by the Government of Malta. These variances were compensated by a gain on revaluation on the Group's investment property of €850k.

Moreover, the remaining variance of €88k is principally attributable to higher depreciation on property, plant and equipment and right of use asset, given that the Group's total property, plant and equipment, right of use asset and investment property totalled €16.7 million as at 31 December 2020 (Projections: €14.8 million). The increase in non-current assets is principally due to a revaluation on the investment property and delays encountered on D Malls, which resulted in a higher right of use asset given that the depreciation of the right of use asset commenced when the asset was inaugurated.

Dr Ian Vella Galea
Company Secretary

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