

D SHOPPING MALLS FINANCE P.L.C.

CONDENSED INTERIM FINANCIAL STATEMENTS  
For the period 1 January 2021 to 30 June 2021

D SHOPPING MALLS FINANCE P.L.C.

**Company Information**

**Directors :**  
Ms Diane Izzo  
Mr Karl Izzo  
Mr Edwin Pisani  
Mr Joseph C Schembri  
Dr Kevin Deguara

**Secretaries :**  
Mr Kenneth Abela (appointed 30 April 2021)  
Dr Ian Vella Galea (resigned 30 April 2021)

**Company number :** C 87809

**Registered office :**  
Dizz Buildings  
Carob Street  
St. Venera

**Banker :**  
Bank of Valletta plc  
Constitution Street  
Mosta

D SHOPPING MALLS FINANCE P.L.C.

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## **Interim Directors' Report**

For the period 1 January 2021 to 30 June 2021

This report is published in terms of the Prospects MTF Rules and the Prevention of Financial Markets Abuse Act 2005. The underlying accounting policies are the same as those adopted by D Shopping Malls Finance P.L.C. ('the Company') in its published annual report. The interim financial information included in this report has been extracted from the company's unaudited accounts for the six months ended 30 June 2021, as approved by the board of directors on 26 August 2021 and are prepared in accordance with IAS 34 'Interim Financial Reporting'.

### ***Principal activity***

The principal activity of D Shopping Malls Finance P.L.C. (the Company) is to act as a finance company and its business is limited to the raising of capital and the lending of such capital to D Shopping Malls Limited (the Guarantor), the collection of interest from the Guarantor and the settlement of interest payable on capital raised from third parties. The activities of the Company are expected to remain consistent for the foreseeable future.

### ***Principal risks and uncertainties***

The Company is mainly dependant on the business prospects of the D Shopping Malls Limited, and consequently, the operating results of D Shopping Malls Limited have a direct effect on the Company's financial position and performance, including the ability of the Company to services its payment obligations under the issued bonds. In turn, D Shopping Malls Limited rents property to both intra-Group companies and third parties.

The Company's main assets consist of loans receivable issued to related companies, the largest of which is issued to D Shopping Malls Limited. Therefore, the ability of these companies to effect payments to the Company under such loans will depend on their respective cash flows and earnings which may be restricted by:

- changes in applicable laws and regulations;
- the terms contained in the agreements to which they are or may become party, including the indenture governing their existing indebtedness, if any; or
- other factors beyond the control of the Company such as the Covid 19 pandemic.

### ***Review of business***

During the period under review the Company registered a profit before taxation of € 7,665 (2020 : € 2,727).

The Directors consider that in the prevailing circumstances the period under review was satisfactory. Following the outbreak of the Covid-19 pandemic in 2020, the Directors have continued to actively monitor the operations of the D Shopping Malls Group (D Shopping Malls Limited and D Shopping Malls Finance p.l.c.) in order to safeguard the interest of the Company and the Group, as necessary. Despite operating in uncertain circumstances, the Directors continue to monitor the situation on an ongoing basis.

D SHOPPING MALLS FINANCE P.L.C.

**Interim Directors' Report (continued)**

For the period 1 January 2021 to 30 June 2021

***Dividends and reserves***

The directors do not recommend the payment of a dividend and propose to transfer the profit for the period to retained earnings.

***Directors***

The following have served as directors of the Company during the period under review:

Ms Diane Izzo  
Mr Karl Izzo  
Mr Edwin Pisani  
Mr Joseph C Schembri  
Dr Kevin Deguara (appointed 19 November 2020)

***Directors' interest***

The Directors do not hold direct shares in D Shopping Malls Limited as at 30 June 2021, however Ms Diane Izzo and Mr Karl Izzo, as directors, are also the Ultimate Beneficial Owners of the Group.



Ms Diane Izzo  
Chairperson & CEO



Mr Joseph C Schembri  
Director

26 August 2021

D SHOPPING MALLS FINANCE P.L.C.

**Statement pursuant to prospects MTF rule 4.11.12**

For the period 1 January 2021 to 30 June 2021

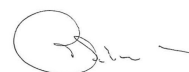
We hereby confirm that to the best of our knowledge:

- The condensed interim financial statements give a true and fair view of the financial position of the company as at 30 June 2021, and of its financial performance and its cash flows for the six month period then ended 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 comprises a fair review of the information required in terms of Prospects MTF Rule 4.11.12

ON BEHALF OF THE BOARD



Ms Diane Izzo  
Chairperson & CEO



Mr Joseph C Schembri  
Director

26 August 2021

D SHOPPING MALLS FINANCE P.L.C.

**Condensed Interim Statement of Profit or Loss and Other Comprehensive Income**

For the period 1 January 2021 to 30 June 2021

	Period Jan 21–Jun21 (unaudited) €	Period Jan 20–Jun20 (unaudited) €
<b>Revenue</b>	205,975	207,113
<b>Other income</b>	15,000	15,000
<b>Administrative expenses</b>		
Administrative expenses	(7,749)	(14,385)
Finance costs	(205,561)	(205,001)
	<hr/>	<hr/>
<b>Profit before tax</b>	7,665	2,727
Income tax	-	(2,403)
	<hr/>	<hr/>
<b>Profit for the period</b>	7,665	324
	<hr/>	<hr/>
<b>Other comprehensive income for the period net of tax</b>	-	-
	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	7,665	324
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D SHOPPING MALLS FINANCE P.L.C.

**Condensed Interim Statement of Financial Position**  
For the period 1 January 2021 to 30 June 2021

	As at 30 June 2021 (Unaudited) €	As at 31 December 2020 (Audited) €
<b>Assets</b>		
Other receivable	7,901,407	7,417,230
<b>Total non-current assets</b>	<u>7,901,407</u>	<u>7,417,230</u>
Trade and other receivables	1,053,081	1,360,086
Cash and cash equivalents	-	4,848
<b>Total current assets</b>	<u>1,053,081</u>	<u>1,364,934</u>
<b>Total assets</b>	<u>8,954,488</u>	<u>8,782,164</u>
<b>Equity</b>		
Issued capital	50,000	50,000
Retained earnings	37,403	29,738
<b>Total equity</b>	<u>87,403</u>	<u>79,738</u>
<b>Liabilities</b>		
Borrowings	7,439,373	7,435,235
<b>Total non-current liabilities</b>	<u>7,439,373</u>	<u>7,435,235</u>
Borrowings	871	
Trade and other payables	1,426,841	1,267,191
Current tax liabilities	-	-
<b>Total current liabilities</b>	<u>1,427,712</u>	<u>1,267,191</u>
<b>Total liabilities</b>	<u>8,867,085</u>	<u>8,702,426</u>
<b>Total equity and liabilities</b>	<u>8,954,488</u>	<u>8,782,164</u>

The financial statements on pages 4 to 11 were authorised and approved by the board of directors on 26 August 2021 and were signed on its behalf by:

  
Ms Diane Izzo  
Director

  
Mr Joseph C Schembri  
Director



D SHOPPING MALLS FINANCE P.L.C.

**Condensed Interim Statement of Changes in Equity**

For the period 1 January 2021 to 30 June 2021

	Issued capital €	Retained earnings €	Total €
<b>Changes in equity for 2020</b>			
Balance at 1 January 2020	50,000	14,116	64,116
Profit for the period	-	324	324
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2020 (unaudited)</b>	<b>50,000</b>	<b>14,440</b>	<b>64,440</b>
	<hr/>	<hr/>	<hr/>
	Issued capital €	Retained earnings €	Total €
<b>Changes in equity for 2021</b>			
Balance at 1 January 2021	50,000	29,738	79,738
Profit for the period	-	7,665	7,665
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2021 (unaudited)</b>	<b>50,000</b>	<b>37,403</b>	<b>87,403</b>
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D SHOPPING MALLS FINANCE P.L.C.

**Condensed Interim Statement of Cash Flows**

For the period 1 January 2021 to 30 June 2021

	Period Jan 21 – Jun 21 (unaudited) €	Period Jan 20 – Jun 20 (unaudited) €
Net cash used in operating activities	(23,059)	220,402
Net used in from financing activities	17,340	(217,769)
	<hr/>	<hr/>
Net movement in cash and cash equivalents	(5,719)	2,633
Cash and cash equivalents at beginning of the period	4,848	(10,419)
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period</b>	<b>(871)</b>	<b>(7,786)</b>
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**Notes to Condensed Interim Financial Statements**

For the period 1 January 2021 to 30 June 2021

**1 GENERAL INFORMATION**

D Shopping Malls Finance P.L.C. is a limited liability company domiciled and incorporated in Malta on 13 August 2018.

The Financial Statements for the year ended 31 December 2020 are available on the company's website.

The condensed interim financial statements were approved for issue by the board of directors on 26 August 2021.

**2 ACCOUNTING POLICIES**

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and comply with the Companies Act, 1995. The financial statements have been prepared under the historical cost convention, except for those assets and liabilities that are measured at fair value.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Company's accounting policies. 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.

**2.2 Assessment of going concern assumption**

The directors have a reasonable expectation at the time of approving the condensed interim financial statements that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparation of the condensed interim financial statements.

**Notes to Condensed Interim Financial Statements (continued)**

For the period 1 January 2021 to 30 June 2021

**2 ACCOUNTING POLICIES (continued)**

**2.3 New and revised standards**

**2.3.1 Summary of Significant Accounting Policies**

The accounting policies are consistent with those of the annual financial statements for the year 31 December 2020 as described in those financial statements.

**2.3.2 Standards, Interpretations and amendments to published standards effective in 2021**

During 2021, the Company has 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 changes to the company's accounting policies.

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

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for the issue of these condensed interim financial statements that are mandatory for the company's accounting periods beginning after 1 January 2021. The company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the company's directors are of the opinion that, with the exception of the below pronouncements, there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

**3 BORROWINGS**

On 27 September 2018, the Company issued € 7,500,000 5.35% Unsecured Bonds having a nominal value of € 100 each. The bond issue was admitted to Prospects MTF operated by the Malta Stock Exchange with effect from 13 November 2018. Trading on the bond issue commenced on 14 November 2018. The Bonds are redeemable at par on 28 October 2028.

**Notes to Condensed Interim Financial Statements (continued)**

For the period 1 January 2021 to 30 June 2021

**3 BORROWINGS (continued)**

The net proceeds from the bond issue have been advanced by the Company to the respective related Group companies to:

- Pay the final payment of the acquisition of the Laguna property;
- Pay an upfront rent to Sliema Wanderers Football Club regarding the lease of immovable property;
- Finish off D Mall Property situated in Tigne Point Sliema and Center Parc Retail Hub in Triq Hal-Qormi c/w, Triq it-Tigrija, Qormi;
- Acquire property in Qui-Si-Sana.

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

**4 RELATED PARTIES**

**4.1 Parent Company**

The Company is a wholly owned subsidiary of D Shopping Malls Limited. The registered office of the parent Company is situated at Dizz Buildings, Carob Street St. Venera.

It is the responsibility of the parent Company to prepare consolidated financial statements of the Group.

**4.2 Key management personnel and director transactions**

The share capital of the Company is subscribed as to 1 share held by Dizz Group of Companies Limited and 49,999 shares held by D Shopping Malls Limited. Key management personnel have control over the financial and operating policies of the Company.

4.3 The loan from related company carries an interest rate of 5.6% and is repayable according to a specified loan agreement.

4.4 The amounts from / (due to) related companies are unsecured, interest-free and repayable on demand.

**Notes to Condensed Interim Financial Statements (continued)**

For the period 1 January 2021 to 30 June 2021

**5 FINANCIAL RISK MANAGEMENT**

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year 31 December 2020.

**6 CONTINGENT LIABILITIES**

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