



SHOPPING MALLS  
FINANCE P.L.C.

## Financial Sustainability Forecast

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Date of Announcement

13<sup>th</sup> April 2022

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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 Prospectus Rules, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange (“Prospectus MTF”).

### **QUOTE**

The Company refers to the obligation to which Prospectus MTF companies are subject to in terms of Rule 4.11.03 and Rule 4.11.12 relating to the publication of the twelve-month financial information as defined in Table 1 paragraph 3 and specifically the publication and dissemination via an announcement of Financial Sustainability Forecasts including management assumptions thereon (‘FSFs’). The below copy of the FSFs, as approved by the Board of Directors, are based on the following assumptions:

### **Revenue**

The Group’s revenue for the twelve months ending 31 December 2022 is expected to total €1.8 million and is based on agreements in place for the lease of retail outlets situated in D Mall and Centre Parc, and residential units situated within the Laguna, Portomaso complex and Qui-Si-Sana. Given that the space situated on Level-1, D Mall have not yet been leased, the projections assume that this space will be leased as stores rather than offices throughout the year, based on the interest shown by tenants.

### **Direct costs**

Direct costs comprise the amortisation on the right-of-use asset by the D Shopping Malls Group on D Mall and Center Parc, which is accounted for in terms of IFRS 16 Leases.

### **Administrative expenses**

Administrative expenses are expected to total €297k, and consist primarily of administrative salaries, marketing costs, general overheads, ongoing bond issue costs, depreciation and amortisation of the bond issue costs.

### **Finance costs**

Finance costs consist of interest on the Bond and the unwinding of interest on the finance lease liability, given that the lease entered into on D Mall and Center Parc is accounted for under IFRS 16 Leases. Consequently, net finance costs are expected to total €1.1 million during FY2022.



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### Taxation

Current taxation is provided at 35% chargeable income for the period.

### Working capital

The Group's working capital mainly comprises of the net impact of trade receivables and trade payables and is based on historical trends.

#### Projected consolidated income statement

€000	FY2022
Sales	1,826
Cost of sales	(380)
Gross profit	1,445
Administrative and selling expenses	(297)
Operating profit	1,148
Finance costs	(1,082)
Profit before tax	66
Taxation	34
<b>Profit after tax</b>	<b>100</b>



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### Consolidated statement of financial position

€000	31-Dec-22
<b>Assets</b>	
Non-current assets	
Deferred tax	552
Investment property	4,450
Right of use	14,820
Property, plant and equipment	2,500
<b>Total non-current assets</b>	<b>22,322</b>
Current assets	
Trade and other receivables	163
Cash and cash equivalents	1,612
<b>Total current assets</b>	<b>1,775</b>
<b>Total assets</b>	<b>24,097</b>
<b>Equity</b>	
Share capital	721
Retained earnings	1,087
Non-controlling interest	0
<b>Total capital &amp; reserves</b>	<b>1,808</b>
<b>Liabilities</b>	
Non-current liabilities	
Minimum lease payments	11,941
Deferred tax	290
Borrowings	7,452
<b>Total non-current liabilities</b>	<b>19,683</b>
Current liabilities	
Minimum lease payments	719
Trade and other payables	1,887
Total current liabilities	2,606
<b>Total liabilities</b>	<b>22,289</b>
<b>Total equity and liabilities</b>	<b>24,097</b>



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### Consolidated statement of cash flows

€000	2022
<b>Cash flows from operations</b>	
Operating profit	1,148
Add back:	
- Depreciation and amortisation	654
	1,802
Changes in trade and other receivables	1,574
Operating cash flow	3,376
Rent paid	(1,365)
Interest paid	(401)
<b>Net cash generated from operating activities</b>	<b>1,610</b>
<b>Movement in cash and cash equivalents</b>	<b>1,610</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2</b>
<b>Cash and cash equivalents at end of year</b>	<b>1,612</b>

**UNQUOTE**

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**Mr. Kenneth Abela**  
Company Secretary

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