

DIZZ FINANCE P.L.C.

CONDENSED INTERIM FINANCIAL STATEMENTS
For the period 1 January 2022 to 30 June 2022

DIZZ FINANCE P.L.C.

Company Information

Directors :

Ms Diane Izzo
Mr Karl Izzo
Mr Edwin Pisani
Mr Joseph C Schembri
Mr Nigel Scerri
Dr Kevin Deguara

Secretary :

Mr Kenneth Abela

Company number :

C 71189

Registered office :

Dizz Buildings
Carob Street
St. Venera
Malta

Banker :

Bank of Valletta plc
Constitution Street
Mosta
Malta

Contents

	Pages
Interim Directors' Report	1 - 2
Statement pursuant to Capital Markets Rules 5.75.3	3
Condensed Interim Statement of Comprehensive Income	4
Condensed Interim Statement of Financial Position	5
Condensed Interim Statement of Changes in Equity	6
Condensed Interim Statement of Cash Flows	7
Notes to the Condensed Interim Financial Statements	8 - 11

Interim Directors' Report

For the period 1 January 2022 to 30 June 2022

This report is published in terms of the Malta Financial Services Authority Capital Markets Rules Chapter 5 and the Prevention of Financial Markets Abuse Act 2005. The underlying accounting policies are the same as those adopted by Dizz 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 2022, as approved by the board of directors on 25 August 2022 and are prepared in accordance with IAS 34 'Interim Financial Reporting'.

Principal activity

The principal activity of the Company is to act as a finance, investment and property-holding company for lease to third parties and related companies. 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 Dizz Group of Companies Limited and its subsidiaries (the "Group"), and consequently, the operating results of the Group have a direct effect on the Company's financial position and performance, including the ability of the Company to service its payment obligations under the issued bonds.

The Company's main assets consist of receivables for loans issued to related companies forming part of the Group. 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

Additionally, the Company is directly exposed to the risks associated with the local property market. The property market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, or the exercise by tenants of their contractual rights.

Review of business

During the period under review, the Company registered a profit before taxation of €211,642 (2021 - €186,522.)

DIZZ FINANCE P.L.C.

Interim Directors' Report (continued)

For the period 1 January 2022 to 30 June 2022

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
Mr Nigel Scerri
Dr Kevin Deguara

Directors' interest

The directors' beneficial interest in the shares of the Company at 30 June 2022 is limited to 1 ordinary share having a nominal value of €1 held by Ms Diane Izzo. However, the Directors Diane Izzo and Karl Izzo are the Ultimate Beneficial Owners of the Group.

DIZZ FINANCE P.L.C.

Statement pursuant to Capital Markets Rules 5.75.3

For the period 1 January 2022 to 30 June 2022

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 2022, 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 includes a fair review of the information required in terms of Capital Market Rules 5.81.

ON BEHALF OF THE BOARD



Ms Diane Izzo
Chairperson and CEO



Mr Joseph C. Schembri
Director

25 August 2022

Condensed Interim Statement of Comprehensive Income

For the period 1 January 2022 to 30 June 2022

	Period Jan 22–Jun 22 (unaudited) €	Period Jan 21–Jun 21 (unaudited) €
Revenue	493,215	441,357
Finance costs	(213,114)	(213,581)
Gross profit	280,101	227,776
Administrative expenses	(68,459)	(41,254)
Profit before tax	211,642	186,522
Income tax	(148,178)	(62,159)
Profit for the period	63,464	124,363
Total comprehensive income for the period	63,464	124,363
Earnings per share	0.03	0.07

The notes on pages 8 to 11 are an integral part of these financial statements.

Condensed Interim Statement of Financial Position

As at 30 June 2022

	Note	As at 30 June 2022 (Unaudited) €	As at 31 December 2021 (Audited) €
Assets			
Property, plant and equipment		108,589	65,597
Investment property		4,264,964	3,983,364
Loans owed by related companies		6,159,272	6,159,272
Loans owed by third parties		54,694	68,694
Deferred tax asset		-	63,784
Total non-current assets		10,587,519	10,340,711
Trade and other receivables		5,684,011	5,594,824
Total current assets		5,684,011	5,594,824
Total assets		16,271,530	15,935,535
Equity			
Issued capital		1,910,000	1,910,000
Retained earnings		3,324,240	3,260,776
Total equity		5,234,240	5,170,776
Liabilities			
Borrowings	3	7,899,971	7,887,105
Deferred tax		370,545	286,151
Total non-current liabilities		8,270,516	8,173,256
Borrowings		2,834	35,204
Trade and other payables		2,582,492	2,383,942
Current tax		181,448	172,357
Total current liabilities		2,766,774	2,591,503
Total liabilities		11,037,290	10,764,759
Total equity and liabilities		16,271,530	15,935,535

The financial statements on pages 4 to 11 were approved by the board of directors on 25 August 2022 and were signed on its behalf by:



Mr Joseph C Schembri
Director



Ms Diane Izzo
Director

Condensed Interim Statement of Changes in Equity

For the period 1 January 2022 to 30 June 2022

	Issued capital €	Retained earnings €	Total €
Changes in equity for 2021			
Balance at 1 January 2021	1,910,000	3,150,738	5,060,738
Comprehensive income			
Profit for the period	-	124,363	124,363
	<hr/>	<hr/>	<hr/>
Total comprehensive income	1,910,000	3,275,101	5,185,101
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2021 (unaudited)	1,910,000	3,275,101	5,185,101
	<hr/>	<hr/>	<hr/>
Changes in equity for 2022			
Balance at 1 January 2022	1,910,000	3,260,776	5,170,776
Comprehensive income			
Profit for the period	-	63,464	63,464
	<hr/>	<hr/>	<hr/>
Total comprehensive income	1,910,000	3,324,240	5,234,240
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2022 (unaudited)	1,910,000	3,324,240	5,234,240
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Condensed Interim Statement of Cash Flows
For the period 1 January 2022 to 30 June 2022

	Period Jan22 – Jun 22 (unaudited) €	Period Jan 21 –Jun 21 (unaudited) €
Net cash generated from operating activities	596,154	11,176
Net cash (used in)/generated from investing activities	(331,481)	373,327
Net cash used in financing activities	(232,303)	(379,518)
	<hr/>	<hr/>
Net movement in cash and cash equivalents	32,370	4,985
Cash and cash equivalents at beginning of the period	(35,204)	(4,562)
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Cash and cash equivalents at end of the period	(2,834)	423
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Notes to Condensed Interim Financial Statements

For the period 1 January 2022 to 30 June 2022

1 GENERAL INFORMATION

Dizz Finance P.L.C. is a limited liability Company domiciled and incorporated in Malta. The Company was incorporated on 24 June 2015. On 15 January 2016, the Company passed an extraordinary resolution to convert the status of the Company from a Private Exempt Limited Company into a Public Limited Company.

The Financial Statements for the year ended 31 December 2021 are available on the Company's website.

The condensed interim financial statements were approved for issue by the board of directors on 25 August 2022.

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 2022 to 30 June 2022

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 ended 31 December 2021 as described in those financial statements.

2.3.2 Standards, Interpretations and amendments to published standards effective in 2022

During 2022, 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 2022.

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 2022. 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.

Notes to Condensed Interim Financial Statements (continued)

For the period 1 January 2022 to 30 June 2022

3 BORROWINGS

	As at 30 June 2022 (unaudited) €	As at 31 December 2021 (audited) €
5% Unsecured Bonds 2026	7,899,971	7,887,105
Bonds outstanding at fair value	8,000,000	8,000,000
Gross amount of bond issue costs	(242,811)	(242,811)
Amortised bond issue cost brought forward	129,916	102,778
Amortisation charge for the period/year	12,866	27,138
Unamortised bond issue costs	(100,029)	(112,895)
Amortised cost and closing carrying amount	7,899,971	7,887,105

4 EARNINGS PER SHARE

Earnings per share is calculated by dividing the result attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period:

	Period Jan 22 – Jun 22 (unaudited) €	Period Jan 21 – Jun 21 (unaudited) €
Earnings per share	0.03	0.07

5 RELATED PARTIES**5.1 Parent Company**

The Company is a wholly owned subsidiary of Dizz Group of Companies Limited, the Group's parent company. 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.

5.2 Key management personnel and director transactions

The share capital of the Company is subscribed as to 1 share held by Diane Izzo (director and ultimate beneficiary owner) and 1,909,999 shares held by Dizz Group of Companies Limited. Key management personnel have control over the financial and operating policies of the Company.

Notes to Condensed Interim Financial Statements (continued)

For the period 1 January 2022 to 30 June 2022

5 RELATED PARTIES (continued)

5.3 The amounts owed by the related companies in relation to advances forwarded by the Company are unsecured, bear interest at 5%-11% (2021: 5%-11%) and repayable at the end of the 10year agreement made between the parties concerned.

5.4 The amounts due to related party are unsecured, interest free and repayable on demand.

6 CAPITAL COMMITMENTS

As at 30 June 2022, the Company did not have any capital commitments with regards to purchase of immovable property.

7 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2021.

8 CONTINGENT LIABILITIES

No events occurred since 31 December 2021 that require disclosure of any contingent liabilities as at 30 June 2022.