D SHOPPING MALLS FINANCE P.L.C.

ANNUAL REPORT
For the year ended 31 December 2024

Company Registration No: C 87809

Company Information

Directors :	Ms Diane Izzo Mr Karl Izzo Mr Edwin Pisani Mr Joseph C. Schembri Dr Kevin Deguara (resigned on 24 May 2024) Dr Adrian Sciberras (appointed on 24 May 2024)
Secretaries :	Mr Kenneth Abela (resigned on 31 October 2024) Mr Edwin Pisani (appointed on 31 October 2024)
Company number :	C 87809
Registered office :	Dizz Buildings Carob Street St. Venera Malta
Auditors :	CLA Malta The Core Valley Road Msida MSD 9021 Malta
Banker :	Bank of Valletta P.L.C. 58, Zachary Street Valletta VLT 1130 Malta

D SHOPPING MALLS FINANCE P.L.C.

Contents

Report of the Directors
For the year ended 31 December 2024

The Directors present their report and the audited financial statements for the year ended 31 December 2024.

Incorporation

D Shopping Malls Finance P.L.C. (hereinafter referred to as the "Company") was incorporated on 13 August 2018. The Company is a fully owned subsidiary of D Shopping Malls Limited (hereinafter referred to as the "Guarantor" or the "Parent"). The two companies form part of D Shopping Malls Group (hereinafter referred to as the "Group").

Principal Activity

The primary function of D Shopping Malls Finance P.L.C. (referred to as "the Company") is to operate as a finance company. Its business is focused on raising capital and providing loans to D Shopping Malls Limited (referred to as "the Parent" or "the Guarantor"). Additionally, it oversees the collection of interest from the Guarantor and handles the settlement of interest owed on capital sourced from third parties. These activities are anticipated to maintain consistency in the foreseeable future.

Review of Business

The Company generated a profit before taxation of € 1,854 (2023 - € 15,626), mainly composed of interest receivable from its Parent of € 409,065 (2023 - € 407,948) and interest payable to bond holders of €367,818 (2023: €367,818). It is envisaged that the income stream of the Company will remain relatively constant in accordance with the loan agreement.

At a Group level, the Group (the Parent and the Company) registered a profit before tax of € 1,101,324 (2023: € 222,218).

In accordance with the Company Admission Document, the Company was required to transfer €1.5 million into a sinking fund by 31 December 2024. As at that date, €625,000 of funds were used from the sinking fund to purchase back part of the issued bonds however the Company did not set up the remaining sinking fund deposit of €875,000 by 31 December 2024. This matter is being addressed and ongoing discussions are being held to regularise this position.

Principal Risks and Uncertainties

The Company's main objective is that of a finance company. Given that the Company does not carry out any trading activities, it is dependent on the receipt of income from D Shopping Malls Limited in relation to Bond proceeds which it has advanced in the form of a loan. Therefore, the Company is dependent on the business prospects of the D Shopping Malls Limited, and inherently, 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. The Company and its Parent are also inherently economically dependent on the wider Dizz Group (Dizz Group of Companies Limited and its subsidiaries) which they also form part of, given that the majority of retail outlets are leased to related parties forming part of the Dizz Group.

Report of the Directors (continued)
For the year ended 31 December 2024

Principal Risks and Uncertainties (continued)

The Company's main assets consist of loans receivable 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:

- loss of tenants;
- decrease in rental rates;
- 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.

In this respect, the Parent, intends to continue to manage the properties in order to ensure optimal utilisation thereof and achieve positive and sustainable financial results. The directors monitor closely the impact of events and the ability of the parent to honour its financial commitments. To this regard, the directors are of the view that the amount receivable from the parent by the Company is recoverable.

Dividends and Reserves

The Directors do not recommend the payment of a dividend.

Future Developments

The Directors intend to continue to operate in line with the current business plan and therefore do not foresee significant changes to future operations.

Financial Risk Management

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. These are further analysed in Note 15 of these financial statements.

Events Subsequent to the Statement of Financial Position Date

The directors assessed subsequent events from 1 January 2025 through 29 April 2025 the date these financial statements were approved. Through such assessment, the directors have determined that there were no subsequent events post balance sheet date.

Directors

The following have served as Directors of the Company during the year under review:

Ms Diane Izzo
Mr Karl Izzo
Mr Edwin Pisani
Mr Joseph C Schembri
Dr Kevin Deguara (resigned on 24 May 2024)
Dr Adrian Sciberras (appointed on 24 May 2024)

In accordance with the Company's Articles of Association the present Directors remain in office for one year.

Report of the Directors (continued)
For the year ended 31 December 2024

Directors' Interest

The Directors do not hold direct shares in D Shopping Malls Finance P.L.C. as at 31 December 2024, however Ms Diane Izzo and Mr Karl Izzo, are also the Ultimate Beneficial Owners of the Group.

Statement of Directors' Responsibilities

The Companies Act (Cap. 386) requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year in accordance with the requirements of International Financial Reporting Standards as adopted by the EU. In preparing these financial statements, the Directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company will continue in business;

- select suitable accounting policies and apply them consistently from one accounting year to another;

- make judgements and estimates that are reasonable and prudent;

- account for income and charges relating to the accounting year on accruals basis; and

- value separately the components of asset and liability items on a prudent basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors, through oversight of management, are responsible to ensure that the Company establishes and maintains internal control, to provide reasonable assurance with regards to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Statement by the Directors on the Financial Statements and Other Information included in the Annual report

In pursuant to Prospects MTF Rules the directors declare that to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU; and

- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

Report of the Directors (continued)
For the year ended 31 December 2024

Going Concern Statement

After making enquiries and having taken into consideration the future plans of the Company, the Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they adopted the going concern basis in the preparation of the financial statements. The Directors intend to continue to operate in line with the current business plan.

Auditors

CLA Malta have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

Ms Diane Izzo	Mr Joseph C Schembri
Director	Director

29 April 2025

Corporate Governance - Statement of Compliance
For the year ended 31 December 2024

The Prospects MTF Rules issued by the Malta Stock Exchange require qualifying companies admitted to Prospects MTF to observe relevant corporate governance standards, in this case the Code of Principles of Good Corporate Governance (the "**Code**"), which annexed to the Capital Market Rules.

Although the adoption of the Code is not obligatory, companies are required by Prospects MTF Rules to include, in their Annual Report, a Directors' Statement of Compliance which deals with the extent to which the company has adopted the Code and the effective measures that the company has taken to ensure compliance with the Code, accompanied by a report of the auditors thereon.

Part 1: Compliance with the Code

The Board of Directors (the "**Board**") of the Company believe in the adoption of the Code and has endorsed it except where the size and/or particular circumstances of the Company are deemed by the Board not to warrant the implementation of specific recommendations. In this context it is relevant to note that the Company has issued bonds to the public and has no employees. Accordingly, some of the provisions of the Code are not applicable whilst others are applicable to a limited extent.

Principle 1 and 4: The Board

The Board of Directors is responsible for devising a strategy and setting policies of the Company. It is also responsible for reviewing internal control procedures, financial performance and business risks facing the Company, ensuring that these are adequately identified, evaluated, managed and minimised. The Board is also responsible for decisions relating to the redemption of the Bond, and for monitoring that its operations are in conformity with the Company Admission Document and all relevant rules and regulations.

Clear internal and external reporting lines are established with a view to ensuring that the Board can properly discharge its obligation to take decisions in the best interests of the Company.

The Company has a structure that ensures a mix of executive and non-executive Directors and that enables the Board to have direct information about the Company's performance and business activities. All Directors have access to independent professional advice, at the expense of the Company, should they so require.

Principle 3: Composition of the Board

The Board is composed of three executive Directors and two independent non-executive Directors. The combined and varied knowledge, experience and skills of the Board members provides the balance of competences that are required and adds value to the functioning of the Board and gives direction to the Company.

The Board is made up as follows:

Ms Diane Izzo – Executive Director and Chairperson
Mr Karl Izzo – Executive Director
Mr Edwin Pisani – Executive Director
Mr Joseph C. Schembri – Independent, Non-Executive Director
Dr. Kevin Deguara – Independent, Non-Executive Director (resigned on 24 May 2024)
Dr. Adrian Sciberras – Independent, Non-Executive Director (appointed on 24 May 2024)

Mr Kenneth Abela being the Company Secretary resigned on 31 October 2024 and Mr Edwin Pisani was appointed instead on the same day.

Corporate Governance - Statement of Compliance (continued)
For the year ended 31 December 2024

Part 1: Compliance with the Code (continued)

Principle 3: Composition of the Board (continued)

In accordance with the provisions of the Company's Articles of Association, the appointment of Directors to the Board is exclusively reserved to the Company's shareholders, except in so far as appointment is made by the Board to fill a casual vacancy, which appointment would be valid until the conclusion of the next Annual General Meeting of the Company following such an appointment. In terms of the Articles of Association, a Director shall hold office for a period of one year, at the end of which term they may stand again for re-election. The Articles of Association of the Company clearly set out the procedures to be followed in the appointment of Directors.

The non-executive directors, Mr Joseph C Schembri, Dr. Kevin Deguara (resigned on 24 May 2024), and Dr. Adrian Sciberras (appointed on 24 May 2024) are independent within the meaning provided by the Code. Each non-executive director has submitted a declaration to the Board declaring their independence as stipulated under the Code Provision 3.4.

Principle 5: Board Meetings

Board meetings concentrate mainly on strategy, operational performance and financial performance of the Company. After each Board meeting, Board minutes that faithfully record attendance, key issues and decisions are sent to the Directors for subsequent formal approval.

The Board meets as often as required in line with the nature and demands of the business of the Company. Directors attend meetings on a frequent and regular basis and dedicate the necessary time and attention to their duties as Directors of the Company. The Board met four times during the year under review. The number of board meetings attended by Directors for the year under review is as follows:

	Meetings held
Ms Diane Izzo	4 of 4
Mr Karl Izzo	4 of 4
Mr Edwin Pisani	4 of 4
Mr Joseph C Schembri	4 of 4
Dr. Kevin Deguara (resigned on 24 May 2024)	2 of 2
Dr. Adrian Sciberras (appointed on 24 May 2024)	2 of 2

Principle 6: Information and Professional Development

Each director is made aware of the Company's on-going obligations in terms of the Companies Act, the Prospects MTF Rules and other relevant legislation. The Company ensures that it provides Directors with relevant information to enable them to effectively contribute to board decisions.

Corporate Governance - Statement of Compliance (continued)
For the year ended 31 December 2024

Part 1: Compliance with the Code (continued)

Principle 8: Committees

Audit Committee

The Audit Committee's primary objective is to assist the board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board.

Although the Audit Committee is set up at the level of the Company its main tasks are also related to the activities of that of its parent company which, together form part of the D Shopping Malls Group.

The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee establishes internal procedures and monitors these on a regular basis. The terms of reference for the Audit Committee are designed both to strengthen this function within the Company and to widen the scope of the duties and responsibilities of this Committee. The Committee also has the authority to summon any person to assist it in the performance of its duties, including the Company's external auditors.

During the financial year under review, the Audit Committee met four times. The Audit Committee is composed of a mixture of executive and non-executive Directors as follows:

Executive Director

Ms Diane Izzo

Non Executive Directors

Mr Joseph C. Schembri – Chairman of the Audit Committee
Dr. Kevin Deguara (resigned on 24 May 2024)
Dr. Adrian Sciberras (appointed on 24 May 2024)

The Board considers the Chairman of the Audit Committee to be independent and competent in accounting and/or auditing. Such determination was based on Mr Joseph C. Schembri's substantial experience in various audit, accounting and risk management roles throughout his career.

Internal Controls

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. Such a system is designed to achieve business objectives and to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable assurance against material error, losses or fraud.

Authority to manage the business of the Group, including the Company is delegated to the Group Chief Executive Officer within the limits set by the Board of Directors. Systems and procedures are in place for the Company to control, report, monitor and assess risks and their financial implications, and to take timely corrective actions where necessary. Regular financial budgets and strategic plans are prepared, and performance against these plans is actively monitored and reported to the Directors on a regular basis.

Principle 9: Relations with Shareholders and with the Market

The Company has communicated effectively with the market through company announcements and financial information published by the Company.

Corporate Governance - Statement of Compliance (continued)
For the year ended 31 December 2024

Part 1: Compliance with the Code (continued)

Principle 10: Institutional Shareholders

The Directors are of the view that this Principle is not applicable to the Company.

Principle 11: Conflicts of Interest

Ms Diane Izzo, Mr Karl Izzo and Mr Edwin Pisani are executive officers of the Company. Ms Diane Izzo and Mr Karl Izzo have a direct beneficial interest in the share capital of the Company, and as such are susceptible to conflicts arising between the potentially diverging interests of the shareholders and the Company. During the financial year under review, no private interests or duties unrelated to the Company were disclosed by the Directors which were or could have been likely to place any of them in conflict with any interests in, or duties towards, the Company.

The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company. Furthermore, in accordance with the provisions of article 145 of the Companies Act (Cap. 386 of the Laws of Malta), every Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company is under the duty to fully declare his interest in the relevant transaction to the Board at the first possible opportunity and he will not be entitled to vote on matters relating to the proposed transaction and only parties who do not have any conflict in considering the matter will participate in the consideration of the proposed transaction (unless the Board finds no objection to the presence of such Director with conflict of interest).

Principle 12: Corporate Social Responsibility

The Company seeks to adhere to sound Principles of Corporate Social Responsibility in its management practices and is committed to enhance the quality of life of all stakeholders and of the employees of the Company and the Group.

Part 2: Non-Compliance with the Code

Principle 2: Chairman and Chief Executive

The roles of Chairman and Chief Executive Officer of the Group are both occupied by Ms Diane Izzo. Although the Code recommends that the role of Chairman and Chief Executive Officer are kept separate, the Directors believe that Ms Diane Izzo should occupy both positions, particularly in view of the experience she brings to both the Board and executive management team of the Company. In terms of Principle 3.1, which calls for the appointment of a senior independent Director where the roles of Chairman and Chief Executive Officer are carried out by the same person, the Board has appointed Mr Joseph C Schembri as the indicated senior independent Director.

Principle 7: Evaluation of the Board's Performance

At present, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of the Issuer's shareholders, the market and the rules by which the Issuer is regulated.

Corporate Governance - Statement of Compliance (continued)
For the year ended 31 December 2024

Part 2: Non-Compliance with the Code (continued)

Principle 8: Committees

The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of nomination and remuneration committees. Given that the Issuer does not have any officers or employees other than the Directors and the company secretary, it is not considered necessary for the Issuer to maintain a remuneration committee and a nomination committee.

Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Memorandum and Articles of Association. The Issuer considers that the members of the Board provide the level of skill, knowledge and experience expected in terms of the Code.

Signed on behalf of the Board of Directors on 29 April 2025 by:

Mr Joseph C. Schembri
Director and Chairman of Audit Committee

D SHOPPING MALLS FINANCE P.L.C.

Independent Auditors' Report

To the shareholders of D Shopping Malls Finance P.L.C.

Opinion

We have audited the accompanying financial statements of D Shopping Malls Finance P.L.C. (the Company) set out on pages 15 to 42, which comprise the statement of financial position as of 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Company's financial statements present fairly, in all material respects the financial position of the Company as of 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3.1.1 to these financial statements, dealing with the basis of preparation which describes the Board of Directors' assessment on the ability of the Company and the guarantor of the bond to continue operating as a going concern. The note states that the directors recognise that the Company is intrinsically dependent on the liquidity position of D Shopping Malls Limited (the guarantor) and the wider group of companies owned and controlled by Dizz Group of Companies Limited, and there remains uncertainty should the required financing not materialise within a reasonable timeframe. These events and conditions, along with other matters as set forth in Note 3.1.1, indicate that a material uncertainty exists that may cast significant doubt on the ability D Shopping Malls Limited and therefore D Shopping Malls Finance P.L.C. to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

D SHOPPING MALLS FINANCE P.L.C.

Independent Auditors' Report (continued)

Key Audit Matters (continued)

Borrowings – refer to Notes 7.3 and 8

We identified borrowings, specifically the bond issued on Prospects MTF by the Company, as a Key Audit Matter. This bond represents a significant portion of the company's financial liabilities and is material to the financial statements. Our focus encompassed validating the accuracy of the bond's recorded amount, assessing the appropriateness of interest recognition, and scrutinizing the amortization of bond issue costs associated with its issuance.

To address this matter comprehensively, we performed various audit procedures. We conducted substantive testing procedures to verify the completeness and accuracy of the bond's recorded amount. This involved corroborating the bond's issuance documentation and confirming its terms with relevant agreements.

We also assessed the adequacy of interest recognition by verifying the accuracy of interest calculations and evaluating the appropriateness of interest accruals based on the effective interest method. Finally, we evaluated the appropriateness of bond issue costs' amortization by reviewing the underlying costs incurred upon issue, assessing their allocation over the bond's term, and ensuring compliance with applicable accounting standards.

Based on the procedures performed, we did not identify material exceptions in relation to the recognition or measurement of the bond, including associated interest and transaction costs.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors and the Statement of Directors' Responsibilities. Our opinion on the financial statements does not cover this information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Report on Corporate Governance

The Prospects MTF Rules issued by the Malta Stock Exchange require the Directors to prepare and include in their Annual Report a Statement of Compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting year with those Principles.

The Prospects MTF Rules also require the auditors to include a report on the Statement of Compliance prepared by the Directors.

We read the Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the annual return.

Independent Auditors' Report (continued)

Report on Corporate Governance (continued)

We are not required to, and we do not, consider whether the board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Statement of Compliance set out on pages 5 to 9 has been properly prepared in accordance with the requirements of the Prospects MTF Rules issued by the Malta Stock Exchange.

We also read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. Our responsibilities do not extend to any other information.

With respect to the Report of the Directors, we also considered whether the Report of the Directors includes the disclosures required by Article 177 of the Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with the Companies Act (Cap. 386).

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Report of the Directors. We have nothing to report in this regard.

Responsibilities of the Directors

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

D SHOPPING MALLS FINANCE P.L.C.

Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements

Matters on which we are required to report by exception under the Companies Act

Our Responsibilities

We have responsibilities under the Companies Act, (Cap.386) enacted in Malta to report to you if, in our opinion:

- The information given in the Report of the Directors is not consistent with the financial statements.
- Adequate accounting records have not been kept.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.

Our Opinion

We have nothing to report to you in respect of these responsibilities.

In addition, we confirm that:

- Our opinion is consistent with our additional report to the audit committee.

- To the best of our knowledge and belief, we have not provided non-audit services to the Company in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

Other Matter - Use of this Report

Our report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Bernard Charles Gauci (Partner) for and on behalf of

CLA Malta
Certified Public Accountants
Msida
Malta

29 April 2025

Statement of Comprehensive Income
For the year ended 31 December 2024

	Notes	2024 €	2023 €
Finance income	4.5	409,065	407,948
Finance cost	4.4	(381,723)	(404,328)
Other income	4.1	5,292	30,269
Administrative expenses	4.2	(30,780)	(18,263)
Profit before tax		1,854	15,626
Income tax	5	-	-
Total comprehensive income for the year		1,854	15,626
Earnings per share	6	0.037	0.31

The notes on pages 19 to 42 are an integral part of these financial statements.

Statement of Financial Position
As at 31 December 2024

	Notes	2024 €	2023 €
Assets			
Other financial assets at amortised cost	7.2	4,417,230	7,417,230
Total non-current assets		4,417,230	7,417,230
Other financial assets at amortised cost	7.2	5,449,163	2,045,498
Trade and other receivables	9	31,461	30,103
Total current assets		5,480,624	2,075,601
Total assets		9,897,854	9,492,831
Equity			
Issued capital	10	50,000	50,000
Retained earnings	11	92,179	90,325
Total equity		142,179	140,325
Liabilities			
Borrowings	7.3	6,843,443	6,835,166
Total non-current liabilities		6,843,443	6,835,166
Trade and other payables	12	102,119	106,930
Borrowings	7.3	2,810,113	2,410,410
Total current liabilities		2,912,232	2,517,340
Total liabilities		9,755,675	9,352,506
Total equity and liabilities		9,897,854	9,492,831

The financial statements on pages 15 to 42 were approved and authorised for issue by the Board of Directors on 29 April 2025 and were signed on its behalf by:

Ms Diane Izzo Director	Mr Joseph C Schembri Director

Statement of Changes in Equity
For the year ended 31 December 2024

	Issued capital €	Retained earnings €	Total €
Changes in equity for 2023			
Balance at 1 January 2023	50,000	74,699	124,699
Profit for the year	-	15,626	15,626
Balance at 31 December 2023	50,000	90,325	140,325
Changes in equity for 2024			
Balance at 1 January 2024	50,000	90,325	140,325
Profit for the year	-	1,854	1,854
Balance at 31 December 2024	50,000	92,179	142,179

Statement of Cash Flows
For the year ended 31 December 2024

	Note	2024 €	2023 €
Cash flows from operating activities			
Profit before tax		1,854	15,626
Adjustments for:			
Amortisation of bond issue costs		8,277	8,277
Bond interest payable		367,818	367,818
Bank interest		308	63
Interest receivable		(409,065)	(407,948)
Expected credit losses		(285)	2,262
Operating loss before working capital changes:		(31,093)	(13,902)
Movement in receivables		(1,358)	(773)
Movement in payables		(4,813)	(3,457)
Cash used in operations		(37,264)	(18,132)
Bond interest paid		(367,818)	(367,818)
Loan interest received		409,065	407,948
Bank interest paid		(308)	(63)
Net cash generated from operating activities		3,675	21,935
Cash flows from financing activities			
Proceeds (to)/from related companies		(3,512)	604,114
Buy back of bonds		-	(624,900)
Net cash used in financing activities		(3,512)	(20,786)
Net movement in cash and cash equivalents		163	1,149
Cash and cash equivalents at beginning of year		(285)	(1,434)
Cash and cash equivalents at end of year	13	(122)	(285)

1 REPORTING ENTITY AND OTHER INFORMATION

D Shopping Malls Finance P.L.C. is a limited liability company domiciled and incorporated in Malta. The company's registered office is Dizz Buildings, Carob Street, St. Venera, Malta. The company is to act as a finance, investment and property-holding company for lease to third parties and related companies.

1.1 Statement of Compliance with IFRS and Going Concern Assumption

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and issued by the International Accounting Standards Board (IASB). These financial statements also comply with the requirements of the Companies Act (Cap. 386) of the Laws of Malta.

The financial statements have been prepared under the going concern assumption, which assumes that the Company will continue in operational existence and meet its obligations as they fall due for the foreseeable future.

The financial statements for the year ended 31 December 2024 (including comparatives) were approved and authorised for issue by the Board of Directors on 29 April 2025.

1.2 Functional and Presentation Currency

These financial statements are presented in Euro, which is the company's functional currency.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) AND IFRS SUSTAINABILITY DISCLOSURE STANDARDS

New Standards adopted as at 1 January 2024

Some accounting pronouncements which have been effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the Group's financial results or position. Standards that have been applied for the first time in the current period are:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

These amendments do not have a significant impact on these Financial Statements and therefore the disclosures have not been made. However, whilst they do not affect these Financial Statements they will impact some entities. An entity should assess the impact of these new Standards on their financial statements based on their own facts and circumstances and make appropriate disclosures.

Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company.

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Group and no Interpretations have been issued that are applicable and need to be taken into consideration by the Group at either reporting date.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

Other Standards and amendments that are not yet effective and have not been adopted early by the Group include:

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made. However, whilst they do not affect these Financial Statements, they will impact some entities. An entity should assess the anticipated impact of these new Standards and amendments on their financial statements based on their own facts and circumstances and make appropriate disclosures.

3 MATERIAL ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared on the accruals basis and under the historical cost convention, except for the following items which are measured on an alternative basis in accordance with IFRSs:

- Financial assets classified at fair value through profit or loss (FVTPL) are measured in accordance with IFRS 9;
- Where applicable, fair value measurements are carried out in accordance with the principles of IFRS 13.

Monetary amounts are expressed in Euro (€) and are rounded to the nearest thousand, except when otherwise indicated (e.g. earnings per share).

3.1.1 Going Concern assessment

D Shopping Malls Finance P.L.C. forms part of the D Shopping Malls Group, which in turn forms part of the Dizz Group of Companies Limited. The Company was set up as a finance vehicle to raise capital through the issuance of bonds and to on-lend the proceeds to D Shopping Malls Limited, its parent company and guarantor of the bond. As at 31 December 2024, the Company had total assets of €9.9 million (2023: €9.5 million) and reported a profit before tax of €1,854 (2023: €15,626).

Nonetheless, the Company's ability to meet its obligations as they fall due is intrinsically dependent on the financial stability and liquidity of D Shopping Malls Limited, which is the sole source of interest income and the primary counterparty to the Company's loan receivable. The Company is also dependent on the wider Dizz Group, as the majority of commercial rental income in the Group is derived from related party tenants operating within the Dizz Group's retail and catering network.

At the wider Group level, liquidity pressures persist and the parent company continues to explore refinancing arrangements from financial institutions. On the other hand, D Shopping Malls Limited continues to also evaluate asset-selling opportunities. These efforts are ongoing but had not yet resulted in binding financing agreements at the time of approval of these financial statements.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.1 BASIS OF PREPARATION (continued)

3.1.1 Going Concern assessment (continued)

The Board of Directors has reviewed the budgets covering the operations of the Dizz Group and in particular the property division, over a period of at least twelve months from the reporting date. These forecasts have been prepared on the basis of the following assumptions:

a) the continuation of current income streams;
b) no major asset acquisitions or capital projects over the forecast period; and
c) access to existing working capital and facilities in place.

While the Directors remain confident in the Group's ability to meet its obligations, they recognise that the Company is economically dependent on the performance and liquidity of its parent and the wider Group and reverting to profitability in order to meeting borrowing requirements. The successful conclusion of refinancing initiatives remains critical.

Accordingly, the Directors acknowledge that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Nevertheless, after making appropriate enquiries and considering the assumptions described above and the Group's ongoing efforts, the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

3.2 REVENUE RECOGNITION

The Company recognises revenue from the following major sources as detailed here under:

3.2.1 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

3.3 OPERATING EXPENSES

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

3.4 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs (see Note 4.4).

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 TAXATION

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

The calculation of current and deferred tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. The carrying amounts of deferred tax are reviewed at the end of each reporting period on the basis of its most likely amount and adjusted if needed. Assessing the most likely amount of current and deferred tax in case of uncertainties (e.g. as a result of the need to interpreting the requirements of the applicable tax law), requires the group to apply judgments in considering whether it is probable that the taxation authority will accept the tax treatment retained.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 specifies limited exemptions. As a result of these exemptions the Company does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries (only to the extent that the group control the timing of the reversal of the taxable temporary difference and that reversal is not likely to occur in the foreseeable future). The Company does not offset deferred tax assets and liabilities unless it has a legally enforceable right to do so and intends to settle on a net basis.

3.6 FINANCIAL INSTRUMENTS

3.6.1 Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3.6.2 Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- amortised cost
- fair vale through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 FINANCIAL INSTRUMENTS (continued)

3.6.2 Classification and initial measurement of financial assets (continued)

The classification is determined by both:

- the entity's business model for managing the financial assets, and
- the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

3.6.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of the business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.
The category also contains an equity investment. The Company accounts for the investment at FVTPL. The fair value was determined in line with the requirements of IFRS 13 'Fair Value Measurement'.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is 'hold to collect' the associated cash flows and sell, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 FINANCIAL INSTRUMENTS (continued)

3.6.4 Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category (i.e. Stage 1) while 'lifetime expected credit losses' are recognised for the second category (i.e. Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 15.2 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Where consistent with the provisioning horizon, the possible impact of climate risks on the determination of expected credit losses has been integrated.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 FINANCIAL INSTRUMENTS (continued)

3.6.5 Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at FVTPL.
Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in liabilities.

3.8 EQUITY, RESERVES AND DIVIDEND PAYMENTS

Share capital represents the nominal (par) value of shares that have been issued.

Retained earnings includes all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

3.9 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Provisions for other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.9 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES (continued)

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

3.10 SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the Company's financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, revenue and expenses.

3.10.1 Significant management judgements

The preparation of the financial statements requires management to make judgements that have the most significant effect on the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. The judgements listed below do not involve estimations (which are addressed in Note 3.10.2), but rather reflect areas where the exercise of professional judgement was necessary.

Fair Value Measurement

Where active market quotations are not available, the Company applies valuation techniques to estimate the fair value of financial and non-financial assets. Judgement is required in selecting appropriate models and unobservable inputs, which reflect assumptions that market participants would use at the measurement date. Estimated fair values may differ from prices achieved in actual arm's length transactions (see Note 15).

Recoverability of Loans Receivable

The Company holds loans to related parties which are assessed for recoverability in accordance with IFRS 9 – Financial Instruments, using the expected credit loss (ECL) model. Judgement is applied in assessing the borrower's credit risk, financial condition, and ability to repay, including reference to the borrower's historic performance and expected future cash flows. Where relevant, this includes consideration of qualitative factors, guarantees, and macroeconomic outlook. No impairment loss was recognised in the current year as management concluded the balances are recoverable in full.

3.10.2 Key Sources of Estimation Uncertainty

The preparation of these financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future and are reviewed on an ongoing basis. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (continued)

3.10 SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY (continued)

3.10.2 Key Sources of Estimation Uncertainty (continued)

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Impairment of Financial Assets (IFRS 9)

The Company applies the expected credit loss (ECL) model to financial assets measured at amortised cost. This involves significant estimation related to the probability of default, loss given default, and exposure at default. These estimates are influenced by forward-looking macroeconomic data and the financial condition of the counterparty.

4 OTHER INCOME AND EXPENSE ITEMS

This note provides a breakdown of the items included in other gains and losses, finance income and costs and an analysis of expenses by nature.

4.1 Other income

	2024	2023
	€	€
Other income – profit from buy back	-	30,269
Recharge of fees	5,292	-
	5,292	30,269

4.2 Breakdown of expenses by nature

	2024	2023
	€	€
Expected credit losses	(285)	(2,262)
Staff costs (note 4.3)	3,526	2,000
Audit fee	9,500	9,000
Other expenses	18,039	9,525
Total administrative expenses	30,780	18,263

4 OTHER INCOME AND EXPENSE ITEMS (continued)

4.3 Staff Costs

	2024	2023
	€	€
Directors' remuneration	3,500	2,000
Maternity funds contributions	26	-
	3,526	2,000

Note: The average number of persons employed by the Company during the current year was 2 (2023: 2).

4.4 Finance costs

	2024	2023
	€	€
Interest payable on bonds	367,818	367,818
Amortisation of bond expenses (note 8)	8,277	8,277
Bank charges	1,187	903
Other charges	4,441	27,330
	381,723	404,328

4.5 Finance income

	2024	2023
	€	€
Interest from related companies	409,065	407,948

5 INCOME TAX

5.1 Income tax

The tax expense for the year consists of:

	2024	2023
	€	€
Current tax:		
In respect of current year	-	-
Deferred tax		
In respect of current year	-	-

5.2 Reconciliation of income tax expense

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the statutory income tax rate applicable to the Company's taxable income. The reconciliation is as follows:

	2024	2023
	€	€
Profit before tax	1,854	15,626
Theoretical tax at 35%	649	5,469
Tax effect of expenses not subject to tax:		
Disallowable expenses	10,772	10,397
Group loss relief	(11,321)	(15,074)
Expected credit losses	(100)	(792)
Income tax expense recognised in profit or loss	-	-

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

6 EARNINGS PER SHARE

6(a) Basic earnings per share

	2024 €	2023 €
From continuing operations	0.037	0.31

6(b) Reconciliation of earnings used in calculating earnings per share

	2024 €	2023 €
Profit for the year	1,854	15,626

6(c) Number of shares used as the denominator

	2024 €	2023 €
Ordinary shares	50,000	50,000

7 FINANCIAL ASSETS AND LIABILITIES

7.1 Categories of financial assets and financial liabilities

Note 3.6 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

31 December 2024	Amortised cost	Total
	€	€
Financial assets		
Other financial assets at amortised cost	9,866,393	9,866,393
Trade and other receivables	25,092	25,092
Total financial assets	9,891,485	9,891,485

	Other liabilities (amortised cost)	Total
	€	€
Non-current borrowings	6,843,443	6,843,443
Current borrowings	2,810,113	2,810,113
Trade and other payables	102,119	102,119
	9,755,675	9,755,675

31 December 2023	Amortised cost	Total
	€	€
Financial assets		
Other financial assets at amortised cost	9,462,728	9,462,728
Trade and other receivables	23,929	23,929
Total financial assets	9,486,657	9,486,657

7 FINANCIAL ASSETS AND LIABILITIES (continued)

7.1 Categories of financial assets and financial liabilities (continued)

31 December 2023

	Other liabilities (amortised cost) €	Total €
Non-current borrowings	6,835,166	6,835,166
Current borrowings	2,410,410	2,410,410
Trade and other payables	106,930	106,930
	9,352,506	9,352,506

Note:

a) A description of the Company's financial instrument risks, including risk management objectives and policies is given in Note 15.

7.2 Other financial assets at amortised cost

	2024 €	2023 €
Non-current		
Amounts due from the parent company (note a)	4,417,230	7,417,230
Current		
Amounts due from the parent company (note a)	3,000,000	-
Amounts due from entities under common control of the ultimate beneficiary owners (note b)	2,449,163	2,045,498
	5,449,163	2,045,498

Notes:

(a) The loan due from the parent company is unsecured, carries an interest rate of 5.6% and is repayable in accordance to a repayment schedule in line with the loan agreement.

(b) Amounts due from entities under common control of the ultimate beneficiary owners are unsecured, interest free and repayable on demand. Amounts are net of expected credit losses as outlined in Note 3.6. Expected credit losses at year end amounts to € 7,701.

7 FINANCIAL ASSETS AND LIABILITIES (continued)

7.3 Borrowings

Borrowings include the following financial liabilities:

	2024 €	2023 €
Secured		
Non-current		
5.35% Bonds 2028 (note 8)	6,843,443	6,835,166
Current		
Bank balance overdrawn	122	285
Unsecured		
Current		
Amounts due to entities under common control of the ultimate beneficiary owners (note)	2,809,991	2,410,125

Note: Amounts due to entities under common control of the ultimate beneficiary owners are unsecured, interest free and repayable on demand.

7.4 Other financial instruments

The carrying amounts of the following assets and liabilities are considered a reasonable approximation of fair value:

- trade and other receivables;
- cash and cash equivalents, and
- trade and other payables.

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

8 BONDS

	2024	2023
	€	€
Proceeds from 5.35% Bonds 2028	6,875,100	6,875,100
Gross amount of bond issue costs	82,770	82,770
Amortisation of gross amount of bond issue costs:		
Amortisation brought forward	42,836	34,559
Amortisation for the year	8,277	8,277
Accumulated amortisation at end of year	51,113	42,836
Unamortised bond issue costs	31,657	39,934
Amortised cost and closing carrying amount	6,843,443	6,835,166

On 27 September 2018, the Company issued a Company Admission Document for the issue of 750,000 5.35% Unsecured Bonds having a nominal value of Euro 100 each. Hence, Bonds of Euro 7,500,000 were issued on 1 October 2018 and were fully subscribed. Trading on the bond issue commenced on 14 November 2018.

The Bonds are redeemable at par on 28 October 2028. Interest on the bond issued is payable annually in arrears on 28 October.

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.

As set out in the Company Admission Document, the Company is to set up a sinking fund to be administered by the Board of Directors to cover 100% of the value of the issued bonds until redemption date. The Company was required to transfer €1.5 million into a sinking fund by 31 December 2024. As at that date, €625,000 of funds were used from the sinking fund to purchase back part of the issued bonds however the Company did not set up the remaining sinking fund deposit of €875,000 by 31 December 2024. This matter is being addressed and ongoing discussions are being held to regularise this position.

9 TRADE AND OTHER RECEIVABLES

	2024 €	2023 €
Other receivables	25,092	23,929
Total financial assets	25,092	23,929
Prepayments	6,369	6,174
Total non-financial assets	6,369	6,174
Trade and other receivables	31,461	30,103

10 ISSUED CAPITAL

	2024 €	2023 €
Authorised		
49,999 ordinary A shares of €1 each	49,999	49,999
1 ordinary B share of €1 each	1	1
	50,000	50,000
Called-up, issued and fully paid		
49,999 ordinary A shares of €1 each	49,999	49,999
1 ordinary B share of €1 each	1	1
	50,000	50,000

11 RETAINED EARNINGS

The profit and loss account balance represents total retained profits.

12 TRADE AND OTHER PAYABLES

	2024	2023
	€	€
Trade payables	25,051	25,731
Other payables	2,070	-
Accruals	74,564	81,199
Total financial liabilities	101,685	106,930
Privileged creditors	434	-
Total non-financial liabilities	434	-
Trade and other payables	102,119	106,930

Note:

All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.

13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	2024	2023
	€	€
Bank balance overdrawn (note 7.3)	(122)	(285)
Balance as per statement of cash flows	(122)	(285)

The cash and cash equivalents are disclosed net of unrealised differences on exchange.

14 RELATED PARTIES

14.1 Parent Company

The Company is a wholly-owned subsidiary of D Shopping Malls Limited which in turn is a fully owned subsidiary of Dizz Group of Companies Limited, the Group's parent Company. The registered office of the ultimate parent Company is situated at Dizz Buildings, Carob Street, St. Venera, Malta. The ultimate beneficial owners of the Company are Mrs Diane Izzo and Mr Karl Izzo, who hold fifty percent each.

It is the responsibility of Dizz Group of Companies Limited to prepare consolidated financial statements of the Group.

14.2 Key management personnel compensation

	2024 €	2023 €
Directors' remuneration	3,500	2,000

14.3 Related party transactions and balances

	Notes	**Transaction value year ended 31 December** 2024 €	2023 €	**Balance outstanding as at 31 December** 2024 €	2023 €
Transactions in Statement of Comprehensive Income					
Other income		5,292	-	-	-
Interest income		409,065	407,948	-	-
Financing transactions					
Loan due from parent company	14.4	-	-	7,417,230	7,417,230
Amount due to entities under common control of the ultimate beneficiary owners	14.5	403,665	392,074	2,449,163	2,045,498
Amount due to entities under common control of the ultimate beneficiary owners	14.5	399,866	273,471	2,809,991	2,410,125

14.4 The loan from parent company is unsecured, carries an interest rate of 5.6% and is repayable in accordance to a repayment schedule in line with the loan agreement.

14.5 The amounts due from/to entities under common control of the ultimate beneficiary owners are unsecured, interest free and repayable on demand.

15 FINANCIAL INSTRUMENTS

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 7.1. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

15.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to interest rate risk and certain other price risks, which result from both its operating and investing activities.

As at the reporting date, the Company has fixed interest bearing liabilities. Fixed interest-bearing liabilities consist of 5.35% Bonds issued to the general public. The Company's exposure to changes in interest rates on bank overdraft held with financial institutions was limited as the level of borrowings with variable interest-bearing liabilities is immaterial with the level of borrowing with a fixed rate interest rate.

15.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

15.2.1 Credit risk management

The credit risk is managed by management based on the Company's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

The Company continuously monitors the credit quality of customers based on a credit rating scorecard. The Company's policy is to deal only with credit worthy counterparties. The credit terms range between 30 and 90 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating scorecard. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

Security

The Company does not hold any security on any trade receivables balance at each annual reporting date.

15 FINANCIAL INSTRUMENTS (continued)

15.2 Credit risk analysis (continued)

15.2.2 Amounts due from entities under common control of the ultimate beneficiary owners.

The Company has assessed its financial assets and determined that they fall under Stage 1. This stage includes financial instruments that have not experienced a significant increase in credit risk since their initial recognition, or those considered to have low credit risk as of the reporting date. For these assets, a 12-month expected credit loss (ECL) is recognised, which represents the losses expected from possible default events occurring within 12 months after the reporting date. The ECL provision was determined by assigning a credit risk score to Dizz Group of Companies Ltd (the Group), based on both the CAMEL framework and relevant non-financial information, and benchmarking this score against peer companies in the same industry.

The closing balance of the ECL on amounts due from entities under common control of the ultimate beneficial owners as at 31 December 2024 reconciles with the ECL on amounts due from entities under common control of the ultimate beneficial owners opening balance as follows:

Amounts due from entities under common control of the ultimate beneficiary owner	
Opening loss allowance at 1 January 2023	7,631
Loss allowance recognised during the year	355
Loss allowance as at 31 December 2023	7,986
Opening loss allowance at 1 January 2024	7,986
Loss allowance recognised during the year	(285)
Loss allowance as at 31 December 2024	7,701

15.3 Liquidity risk analysis

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over both the lookout periods.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting period. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

15 FINANCIAL INSTRUMENTS (continued)

15.3 Liquidity risk analysis (continued)

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables (see Notes 9 and 13) significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.

As at 31 December 2024 and 2023, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Carrying amounts €	Contractual cash flows €	1-12 months €	2-5 years €	After 5 years €
At 31 December 2024					
Bank balance overdrawn	122	122	122	-	-
Trade and other payables	27,121	27,121	27,121	-	-
Bond	6,843,443	8,346,372	367,817	7,978,555	-
	6,870,686	8,373,615	395,060	7,978,555	-
At 31 December 2024					
Bank balance overdrawn	285	285	285	-	-
Trade and other payables	25,731	25,731	25,731	-	-
Bond	6,835,166	8,714,189	367,817	8,346,372	-
	6,861,182	8,740,205	393,833	8,346,372	-

16 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern, and
- to provide an adequate return to shareholders by pricing products and services in a way that reflects the level of risk involved in providing those goods and services.

The Company monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented in the consolidated statement of financial position and cash flow hedges recognised in other comprehensive income.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

17 EVENTS AFTER THE REPORTING DATE

No adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorisation.

18 COMPARATIVE FIGURES

Comparative figures were adjusted to reflect this year's presentation.