D SHOPPING MALLS LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

Company Registration No: C 87499

Holding Company Information

Directors :	Ms Diane Izzo Mr Karl Izzo
Secretary :	Ms Diane Izzo
Company number :	C 87499
Registered office :	Dizz Buildings Carob Street Santa Venera Malta
Auditors :	CLA Malta The Core Valley Road Msida MSD 9021 Malta
Banker :	Bank of Valletta plc 58 Zachary Street Valletta Malta

Contents

Report of the Directors
For the year ended 31 December 2024

The directors present their report and the audited financial statements of the Group, composed of D Shopping Malls Limited (hereinafter referred to as the "Guarantor" or "Company") and D Shopping Malls Finance P.L.C. (hereinafter referred to as the "Issuer" or the "Subsidiary"), for the year ended 31 December 2024.

Principal Activity

The Group is principally engaged in investing in, acquiring, holding and/or managing any land, building or other property for the purpose of deriving income therefrom. The Guarantor's principal activity is the management, operation and lease of the following shopping malls and properties:

- A 15-year lease agreement with Sliema Wanderers Football Club to operate D Malls, a commercial centre located in Tigne Point, Sliema, with an option to extend the agreement further. The Company has subleased all retail units or kiosks at its disposal to related or third parties.

- A 15-year agreement with Center Parc Holding Limited to operate part of the Center Parc commercial centre located in Triq it-Tigrija, Qormi. The Company has subleased all the retail units or kiosks at its disposal to related or third parties.

- Leasing of owned properties: Flat 13, Waterside Apartments and Flat 6, Byron Court, Ix-Xatt ta' Qui-si-Sana, Sliema which flats are interconnected.

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

D Shopping Malls Finance P.L.C., raised € 7,500,000 5.35% Unsecured Bonds on 1 October 2018 on Prospects MTF. These Bonds are repayable at par on 28 October 2028. The Bond proceeds were advanced by way of a loan to the Guarantor and subsequently been allocated to the projects as per the Company Admission Document.

Review of Business

During the year under review the Group registered a profit before tax of € 1,101,324 (2023: € 222,218). Income was principally derived from leasing of immovable property amounting to € 1,983,301 (2023: €1,897,443). Furthermore, as noted in note 5, the Group generated other income of € 1,228,718 (2023: €480,186) throughout the year.

In accordance with the Company Admission Document, the Group 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 Group 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.

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

Principal Risks and Uncertainties

D Shopping Malls Finance P.L.C. ("Issuer") main objective is that of a finance company. Given that the Subsidiary does not carry out any trading activities, it is dependent on the business prospects of D Shopping Malls Limited ("the Guarantor) in relation to Bond proceeds which it has advanced in the form of a loan. Therefore, the Subsidiary 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 Subsidiary's financial position and performance, including the ability of the Subsidiary to service its payment obligations under the issued bonds. The Company and its Subsidiary 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.

The Subsidiary'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 Group 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 Group.

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. In this regard, the directors are of the view that the amount receivable from the parent by the Subsidiary is recoverable. D Shopping Malls Limited is also inherently economically dependent on the wider Dizz Group (Dizz Group of Companies Limited and its subsidiaries) which it also forms of, given that the majority of retail outlets are leased to related parties forming part of the Dizz Group.

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 Group's activities expose it to a variety of financial risks, including credit risk and liquidity risk. These are further analysed in notes 22.3 to 22.4 of the financial statements.

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

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 holding company during the year under review:

Ms Diane Izzo
Mr Karl Izzo

In accordance with the Group's Articles of Association the present directors remain in office.

Directors' Interest

The directors do not hold direct shares in D Shopping Malls Limited as at 31 December 2024, however the directors are the Ultimate Beneficial Owners of the Dizz Group of Companies Limited and 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 Group as at the end of the financial year and of the profit or loss of the Group 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 Group 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.
- report comparative figures corresponding to those of the preceding accounting period.

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

Statement of Directors' Responsibilities (continued)

The directors are responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time the financial position of the Group and which enable them to ensure that the financial statements comply with the Companies Act (Cap. 386). This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 Group and the holding 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 Group, together with a description of the principal risks and uncertainties that the Group faces.

Going Concern Statement

After making enquiries and having taken into consideration the future plans of the Group and the D Shopping Malls Limited, the directors have reasonable expectation that the Group and the D Shopping Malls Limited 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.

Financial Reporting Framework

The directors have prepared the Group's financial statements for the year ended 31 December 2024 in accordance with International Financial Reporting Standards as adopted by the EU.

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 Karl Izzo
Director	Director

29 April 2025

Independent Auditors' Report

To the shareholders of D Shopping Malls Limited

Opinion

We have audited the accompanying consolidated financial statements of D Shopping Malls Limited (the holding Company), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly in all material respects the Group's financial position as at 31 December 2024, and of the Group's financial performance and consolidated 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 for 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 consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 (being the guarantor of the bond issued by D Shopping Malls Finance P.L.C.) 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 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 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 consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (continued)

Key Audit Matters (continued)

Right-of-use assets under IFRS 16 – refer to Note 14

We identified the right-of-use assets as a Key Audit Matter due to their significance to the financial statements of the entity. These are carried at € 13,936,820 which correspond to more than 76% of total non-current assets. Similarly, the corresponding lease liability accounts for a significant portion of total liabilities. The Group sub-leases property, most of which is leased to related parties, originally leased from third parties. The valuation and recognition of right-of-use assets require significant judgment, particularly in the determination of lease terms in the agreements.

Our audit procedures included reviewing the lease agreements and the Group's IFRS 16 workings. We also assessed the completeness and accuracy of the data used in the determination of the lease terms, including the discount rates applied and residual values. In addition, we evaluated the appropriateness of the accounting policy applied by the Group and cross-checked agreements with the workings to verify input data.

We also reviewed the Group's controls over the calculation of the right-of-use assets and the completeness and accuracy of disclosures in the financial statements.

Based on the procedures performed, we did not identify material exceptions with respect to the recognition or measurement of right-of-use assets and lease liabilities, and we found the related disclosures to be consistent with the requirements of IFRS 16.

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 consolidated financial statements does not cover this information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of the Directors

The directors are responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated 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.

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 consolidated financial statements.
- Adequate accounting records have not been kept.
- The consolidated 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).

Use of this Report

Our report, including the opinions, has been prepared for and only for the Group'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

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024

		Group		Company	
		2024	2023	2024	2023
	Notes	€	€	€	€
Revenue	4	1,983,301	1,897,443	1,953,571	1,872,900
Other income	5.1	1,228,718	480,186	1,253,158	474,459
Administrative expenses	5.2	(237,483)	(264,781)	(206,703)	(220,355)
EBITDA		2,974,536	2,112,848	3,000,026	2,127,004
Depreciation and amortisation	5.2	(905,820)	(889,428)	(906,917)	(890,525)
Operating profit		2,068,716	1,223,420	2,093,109	1,236,479
Finance costs	5.4	(967,392)	(1,001,202)	(994,735)	(1,030,986)
Profit before tax		1,101,324	222,218	1,098,374	205,493
Income tax	6	(398,728)	(72,134)	(398,728)	(72,134)
Profit after tax		702,596	150,084	699,646	133,359
Other comprehensive income					
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		702,596	150,084	699,646	133,359
Earnings per share	7	0.97	0.21	0.97	0.18

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)
For the year ended 31 December 2024

		Group		Company	
	Notes	2024 €	2023 €	2024 €	2023 €
Profit for the year attributable to:					
Owners of Company	17	702,596	150,084	699,646	133,359
Total comprehensive income for the year attributable to:					
Owners of Company	17	702,596	150,084	699,646	133,359

Consolidated Statement of Financial Position
As at 31 December 2024

		Group		Company	
		2024	2023	2024	2023
	Notes	€	€	€	€
Assets					
Property, plant and equipment	8	1,997,356	2,303,753	2,003,939	2,311,434
Right of use assets	9	13,936,820	14,444,773	13,936,820	14,444,773
Investment property	10	2,270,250	2,270,250	2,270,254	2,270,250
Investment in subsidiaries	11	-	-	49,999	49,999
Deferred tax asset	12	6,796	405,524	6,796	405,524
Total non-current assets		18,211,222	19,424,300	18,267,808	19,481,980
Other financial assets at amortised cost	13.2	5,031,994	4,726,355	6,270,301	4,941,639
Trade and other receivables	15	1,516,272	193,861	1,489,906	278,550
Total current assets		6,548,266	4,920,216	7,760,207	5,220,189
Total assets		24,759,488	24,344,516	26,028,015	24,702,169
Equity					
Issued capital	16	721,200	721,200	721,200	721,200
Retained earnings	17	1,999,966	1,297,370	1,914,376	1,214,730
Non-controlling interest	18	1	1	-	-
Total equity		2,721,167	2,018,571	2,635,576	1,935,930

Consolidated Statement of Financial Position (continued)
As at 31 December 2024

		Group		Company	
		2024	2023	2024	2023
	Notes	€	€	€	€
Liabilities					
Lease liabilities	14	11,206,645	11,292,569	11,206,645	11,292,569
Borrowings	13.3	6,843,443	6,835,166	-	-
Loan payable	13.3	-	-	4,417,230	7,417,230
Deferred tax liability	12	181,620	181,620	181,620	181,620
Total non-current liabilities		18,231,708	18,309,355	15,805,495	18,891,419
Trade and other payables	19	1,997,110	1,430,371	1,900,084	1,438,228
Lease liabilities	14	85,934	402,908	85,934	402,909
Loan payable	13.3	-	-	3,000,000	-
Borrowings	13.3	1,723,569	2,183,311	2,600,926	2,033,683
Total current liabilities		3,806,613	4,016,590	7,586,944	3,874,820
Total liabilities		22,038,321	22,325,945	23,392,439	22,766,239
Total equity and liabilities		24,759,488	24,344,516	26,028,015	24,702,169

The consolidated financial statements set out on pages 9 to 60 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 Karl Izzo
Director

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

Group

	Issued capital €	Retained earnings €	Non-controlling interest €	Total €
Changes in equity for the year				
Balance at 1 January 2023	721,200	1,147,286	1	1,868,487
Profit for the year	-	150,084	-	150,084
Balance at 31 December 2023	721,200	1,297,370	1	2,018,571
Balance at 1 January 2024	721,200	1,297,370	1	2,018,571
Profit for the year	-	702,596	-	702,596
Balance at 31 December 2024	721,200	1,999,966	1	2,721,167

Company

	Issued capital €	Retained earnings €	Total €
Changes in equity for the year			
Balance at 1 January 2023	721,200	1,081,371	1,802,571
Profit for the year	-	133,359	133,359
Balance at 31 December 2023	721,200	1,214,730	1,935,930
Balance at 1 January 2024	721,200	1,214,730	1,935,930
Profit for the year	-	699,646	699,646
Balance at 31 December 2024	721,200	1,914,376	2,635,576

Consolidated Statement of Cash Flows
For the year ended 31 December 2024

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Cash flows from operating activities				
Profit before tax	1,101,324	222,218	1,098,374	205,493
Adjustments for:				
Depreciation of property, plant and equipment	397,867	379,141	398,964	380,238
Amortisation right of use asset	507,953	510,287	507,953	510,287
Finance costs	952,640	989,658	993,577	1,029,725
Amortisation of bond issue costs	8,277	8,277	-	-
Expected credit losses	16,077	20,745	16,362	23,007
Operating profit before working capital changes:	2,984,138	2,130,326	3,015,230	2,148,750
Movement in trade and other receivables	(1,329,914)	2,012,226	(1,218,857)	1,965,693
Movement in trade and other payables	566,741	(605,710)	461,854	(560,193)
Net cash generated after working capital changes	2,220,965	3,536,842	2,258,227	3,554,250
Bank interest paid	(2,370)	(63)	(2,060`)	-
Net cash generated from operating activities	2,218,595	3,536,779	2,256,167	3,554,250

Consolidated Statement of Cash Flows (continued)
For the year ended 31 December 2024

	Note	Group 2024 €	Group 2023 €	Company 2024 €	Company 2023 €
Cash flows from investing activities					
Acquisition property, plant and equipment		(91,470)	(287,383)	(91,469)	(353,732)
Acquisition of investment property		-	(20,250)	-	(20,250)
Net cash used in investing activities		(91,470)	(307,633)	(91,469)	(373,982)
Cash flows from financing activities					
Bond interest paid		(367,818)	(367,818)	-	-
Repayment to related companies		(775,805)	(852,555)	(1,181,356)	(1,797,555)
Buy back of bonds		-	(624,900)	-	-
Repayment of lease liabilities		(985,350)	(1,382,430)	(985,352)	(1,382,420)
Net cash used in financing activities		(2,128,973)	(3,227,703)	(2,166,708)	(3,179,975)
Net movement in cash and cash equivalents		(1,848)	1,443	(2,010)	293
Cash and cash equivalents at beginning of year		(381)	(1,824)	(97)	(390)
Cash and cash equivalents at end of the year	20	(2,229)	(381)	(2,107)	(97)

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

1 REPORTING ENTITY AND OTHER INFORMATION

D Shopping Malls Limited (the Company) is a limited liability company incorporated in Malta on 13 August 2018. The Company's registered office is stated in the introduction to the annual report. Dizz Group of Companies Limited is the ultimate controlling party, which is owned by Diane Izzo and Karl Izzo, who each own 50% of Dizz Group of Companies Limited's issued share capital.

1.1 STATEMENT OF COMPLIANCE WITH IFRS AND GOING CONCERN ASSUMPTION

The financial statements of the Group 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 Group 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 Group’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.

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

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

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:

- Property, plant and equipment comprising land and buildings is measured using the revaluation model in accordance with *IAS 16*;
- Investment property is measured at fair value in accordance with *IAS 40*;
- 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).

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

3 MATERIAL ACCOUNTING POLICIES (continued)

3.1 BASIS OF PREPARATION (continued)

3.1.1 Going Concern

D Shopping Malls Limited forms part of the Dizz Group of Companies Limited and also acts as guarantor for the bond issued by D Shopping Malls Finance P.L.C. The Company's principal activities include the operation and leasing of commercial retail premises, primarily sub-leased to related party tenants within the Dizz Group's retail and catering network.

As at 31 December 2024, the D Shopping Malls Limited Group reported total assets of €25 million (2023: €24.0 million) and generated EBITDA of €3.0 million (2023: €2.1 million). Nonetheless, the Group's ability to meet its obligations as they fall due is impacted by liquidity pressures experienced by the other companies under the common control of Dizz Group of Companies Limited. A significant portion of the Group's income is derived from related party tenants, and the Group's financial performance is therefore closely tied to that of the wider Dizz Group.

Moreover, the Group remains exposed to the obligations associated with lease liabilities recognised under IFRS 16, which are substantial in relation to its asset base. At the wider Group level, refinancing initiatives are being actively pursued with financial institutions to support working capital requirements and meet upcoming debt service obligations.

Simultaneously, D Shopping Malls Limited is evaluating selective asset disposal opportunities to generate liquidity. These discussions and efforts are ongoing, but as at the date of approval of these financial statements, they had not yet resulted in binding financing or sale agreements.

The Board of Directors has reviewed the projected forecasts 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) continuation of current rental income and sub-lease arrangements;
b) no significant capital expenditure or new lease commitments; 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 Group's going concern status remains dependent on the successful execution of its refinancing strategy and the continued performance of its related party tenants. The Directors acknowledge that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Nevertheless, after making appropriate enquiries and considering the support from related parties, the assumptions noted above, and the Group's ongoing strategic efforts, the Directors have a reasonable expectation that the Group will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these consolidated financial statements.

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

3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 BASIS OF CONSOLIDATION

The Group's financial statements consolidate those of the parent company and of its subsidiary as at 31 December 2024. The subsidiary has a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

3.3 REVENUE RECOGNITION

Revenue arises mainly from rental income.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations, and then
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group often enters into customer contracts to provide rental services. The contract is then assessed to determine whether it contains a single combined performance obligation or multiple performance obligations. If applicable the total transaction price is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in its statement of financial position. (See Note 19). Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

3.3.1 Rental Income

Rental income from investment property and right of use asset is recognised in profit or loss on a straight-line basis over the term of the lease on the annual income received.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.3 REVENUE RECOGNITION (continued)

3.3.2 Dividends and interest income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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.

3.4 OPERATING EXPENSES

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

3.5 BORROWINGS 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 5.4).

3.6 LEASES

3.6.1 The Group as a Lessee

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either identified in the contract or implicitly specified by being identified at the time asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

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

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 LEASES (continued)

3.6.1 The Group as a Lessee (continued)

The Group amortises the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

3.6.2 The Group as a Lessor

As a lessor the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Finance Leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset.

Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Group obtains ownership of the asset at the end of the lease term.

For leases of land and buildings the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interest. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

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

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 LEASES (continued)

3.6.2 The Group as a Lessor (continued)

Finance Leases (continued)

See note 9 in the period-end financial statements for the depreciation methods and useful lives for assets held under finance leases. The interest element is charged to profit or loss, as finance costs over the period of the lease.

Operating Leases

Rental income is recognised on a straight-line basis over the term of the lease.

3.6.3 The Group as Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Rental income is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

3.6.4 The Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.7 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency of the Group, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.8 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 Group'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 Group 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 Group 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.

3.9 PROPERTY, PLANT AND EQUIPMENT

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties' revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.9 PROPERTY, PLANT AND EQUIPMENT (continued)

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end with the effect of any changes in estimate accounted for on a prospective basis.

The annual rates used:

	%
Furniture and fittings	10
Improvements to premises	10
Electrical installations	6.67
Office equipment	25
Air-condition	16.67
Plant and machinery	10

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each end of the reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.10 IMPAIRMENT TESTING OF PROPERTY, PLANT AND EQUIPMENT

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Cash-generating units that has an indefinite useful life or is not yet available for use has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

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

3 MATERIAL ACCOUNTING POLICIES (continued)

3.10 IMPAIRMENT TESTING OF PROPERTY, PLANT AND EQUIPMENT (continued)

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to the cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

All assets are subsequently reassessed for indications an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

3.11 INVESTMENT PROPERTY

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits associated with the property will flow to the Group and the cost of the property can be measured reliably.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value, which reflects market conditions at the reporting date.

Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss in the period in which they arise, including any corresponding tax effects. Fair values are determined by a professionally qualified architect, based on observable market evidence and valuation techniques appropriate to the nature of the property.

Investment properties are derecognised either:

- when they have been disposed of (i.e. when control transfers to the acquirer), or
- when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

The gain or loss on derecognition is the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss. The amount of consideration included in the gain or loss on derecognition is determined in accordance with the transaction price requirements of *IFRS 15 – Revenue from Contracts with Customers.*

Transfers to or from investment property occur only when there is a change in use:

- If a property becomes owner-occupied, its deemed cost is its fair value at the date of change in use.
- If an owner-occupied property becomes an investment property, it is accounted for in accordance with the *IAS 16* policy up to the date of change in use.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.12 FINANCIAL INSTRUMENTS

3.12.1 Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group 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.

3.12.2 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).

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.

3.12.3 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.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.12 FINANCIAL INSTRUMENTS (continued)

3.12.3 Subsequent measurement of financial assets (continued)

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 Group 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 Group 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.

3.12.4 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 Group 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').

3 MATERIAL ACCOUNTING POLICIES (continued)

3.12 FINANCIAL INSTRUMENTS (continued)

3.12.4 Impairment of financial assets (continued)

'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 Group 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 Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group 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 22.2 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.

3.12.5 Classification and measurement of financial liabilities

The Group'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 Group 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.

3.13 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.

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

3 MATERIAL ACCOUNTING POLICIES (continued)

3.14 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.

3.15 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Provisions for other claims are recognised when the Group 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 Group 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.

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.

3.16 SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

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

3.16.1 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 3.16.2), but rather reflect areas where the exercise of professional judgement was necessary.

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

3 MATERIAL ACCOUNTING POLICIES (continued)

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

3.16.1 Significant management judgements (continued)

Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognised depends on the assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. Significant judgement is also applied in evaluating the impact of legal or economic limitations in the relevant tax jurisdictions (see Note 3.8).

Useful Lives and Residual Values of Depreciable Assets

Management reviews the useful lives and residual values of property, plant and equipment at each reporting date. Judgement is required to assess the expected pattern of economic benefits from these assets, and to consider the impact of factors such as technological change or regulatory developments, particularly for IT equipment and environmentally sensitive assets.

Contract Revenue

Judgement is required in determining the appropriate recognition of revenue from long-term contracts under IFRS 15. This includes the assessment of performance obligations, determination of contract duration, selection of the input method to measure progress, and estimation of total contract costs. For complex contracts, contract profitability and costs to complete are subject to significant uncertainty (see Note 3.3).

Fair Value Measurement

Where active market quotations are not available, the Group 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 23).

Leases – Determination of the Discount Rate

In determining lease liabilities under IFRS 16, the Group applies its incremental borrowing rate when the interest rate implicit in the lease is not readily determinable. This rate is derived using guidance from the Group’s primary bankers and adjusted for credit risk and lease-specific factors. Judgement is involved in estimating a rate that reflects the terms and conditions of each lease and the credit standing of the lessee.

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

3 MATERIAL ACCOUNTING POLICIES (continued)

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

3.16.1 Significant management judgements (continued)

Recoverability of Loans Receivable

The Group 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.

3.16.2 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 Group 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.

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:

Fair Value of Investment Property (IAS 40)

Valuations are based on independent appraisals which may include unobservable inputs such as projected rental yields, discount rates, and comparable market data. Changes in these inputs may significantly affect the fair value recognised.

Impairment of Financial Assets (IFRS 9)

The Group 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.

Useful Lives of Property, Plant and Equipment (IAS 16)

The determination of useful lives requires estimation of the period over which assets will generate economic benefits. Technical obsolescence and changes in business strategy may lead to revisions in depreciation schedules.

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

3 MATERIAL ACCOUNTING POLICIES (continued)

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

3.16.2 Key Sources of Estimation Uncertainty (continued)

Deferred Tax Assets (IAS 12)

The recognition of deferred tax assets depends on the availability of future taxable profits against which unused tax losses and deductible temporary differences can be utilised. Estimating these profits requires assessing future cash flows and profitability trends (see Note 3.6).

4 REVENUE

Contract balances	**Group**		**Company**	
	2024	2023	2024	2023
	€	€	€	€
Trade receivables (Note 15)	251,558	140,501	251,558	216,907
Contract assets (Note 15)	8,483	-	8,483	-
	260,041	140,501	260,041	216,907
Advances received from rental contracts	95,790	-	95,790	-
Total contract liabilities (Note 19)	95,790	-	95,790	-

The Group derives its revenue as disclosed in Note 3.3.1 and as per below:

	Group		**Company**	
	2024	2023	2024	2023
	€	€	€	€
Rental income from owned properties	60,000	81,000	60,000	81,000
Rental income from leased properties	1,923,301	1,816,443	1,893,571	1,791,900
	1,983,301	1,897,443	1,953,571	1,872,900

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

5 OTHER INCOME AND EXPENSES ITEM

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.

5.1 Other income

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Service charge	833,522	193,915	863,254	223,907
Other income	19,958	286,271	14,666	250,552
Over accrual adjustment	20,000	-	20,000	-
Key money	35,000	-	35,000	-
Other income- VAT adjustment	320,238	-	320,238	-
	1,228,718	480,186	1,253,158	474,459

5.2 Breakdown of expenses by nature

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Depreciation	397,867	379,141	398,964	380,238
Amortisation	507,953	510,287	507,953	510,287
Expected credit losses	16,077	20,745	16,362	23,007
Staff costs (note 5.3)	3,526	2,000	-	-
Audit fee (note)	11,900	11,250	2,400	2,250
Other expenses	205,980	230,786	187,941	195,098
Total administrative expenses	1,143,303	1,154,209	1,113,620	1,110,880

5.3 Staff Costs

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Directors' remuneration	3,500	2,000	-	-
National Contribution	26	-	-	-
	3,526	2,000	-	-

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

5 OTHER INCOME AND EXPENSES ITEM (continued)

5.3 Staff Costs (continued)

Note: The average number of persons employed by the Group during the current year was 3 (2023: 2).

5.4 Finance costs

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Finance interest on finance lease	582,452	621,777	582,452	621,777
Interest payable to related company	-	-	409,065	407,948
Bank interest on overdraft	2,370	63	2,061	-
Bank charges	2,034	2,103	1,157	1,261
Bond interest and other charges	367,818	367,818	-	-
Other charges	4,441	1,164		
Amortisation of bond issue costs	8,277	8,277	-	-
	967,392	1,001,202	994,735	1,030,986

6 INCOME TAX

6.1 Income tax

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Current tax:				
In respect of current year	-	-	-	-
Deferred tax:				
Capital allowances and tax losses	398,728	70,514	398,728	70,514
Investment property	-	1,620	-	1,620
	398,728	72,134	398,728	72,134
Total tax recognised in the current year	398,728	72,134	398,728	72,134

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

6 INCOME TAX (continued)

6.2 Reconciliation of income tax expense

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

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Profit before tax	1,101,324	222,218	1,098,374	205,493
Theoretical taxation expense at 35%	385,463	77,776	384,431	71,923
Group loss relief	(11,321)	(15,074)	-	-
Other income	(112,083)	-	(112,083)	-
Expected credit losses	5,627	7,260	5,727	8,051
Deferred tax on property	-	1,620	-	1,620
Disallowable expenses	15,487	10,012	5,100	-
Depreciation on improvements	78,788	78,164	78,788	78,164
IFRS 16 permanent difference	36,767	(87,624)	36,765	(87,624)
	398,728	72,134	398,728	72,134

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

7 EARNINGS PER SHARE

7(a) Basic earnings per share

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
From continuing operations	0.97	0.21	0.97	0.18

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

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Profit for the year	702,596	150,084	699,646	133,359

7(c) Number of shares used as the denominator

	Group		Company	
	2024	2023	2024	2023
Ordinary shares	721,200	721,200	721,200	721,200

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

8 PROPERTY, PLANT AND EQUIPMENT – GROUP

	Improvements to premises €	Air-conditioning €	Furniture and fittings €	Office equipment €	Electrical Installations €	Plant & Machinery €	Total €
Cost/Revalued amount							
At 1 January 2023	2,250,682	289,034	461,039	18,780	316,760	93,681	3,429,976
Additions	37,947	-	315,785	-	-	-	353,732
Disposals	(66,349)	-	-	-	-	-	(66,349)
At 31 December 2023	2,222,280	289,034	776,824	18,780	316,760	93,681	3,717,359
At 1 January 2024	2,222,280	289,034	776,824	18,780	316,760	93,681	3,717,359
Additions	17,844	-	9,751	63,875	-	-	91,470
At 31 December 2024	2,240,124	289,034	786,575	82,655	316,760	93,681	3,808,829
Depreciation							
At 1 January 2023	567,002	191,476	168,260	15,597	63,384	28,746	1,034,465
Charge for the year	222,228	48,173	77,682	348	21,128	9,582	379,141
At 31 December 2023	789,230	239,649	245,942	15,945	84,512	38,328	1,413,606
At 1 January 2024	789,230	239,649	245,942	15,945	84,512	38,328	1,413,606
Charge for the year	224,012	48,171	78,657	16,317	21,128	9,582	397,867
At 31 December 2024	1,013,242	287,820	324,599	32,262	105,640	47,910	1,811,473

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

8 PROPERTY, PLANT AND EQUIPMENT – GROUP(continued)

Carrying amounts							
At 31 December 2024	1,226,882	1,214	461,976	50,393	211,120	45,771	1,997,356
At 31 December 2023	1,433,050	49,385	530,882	2,835	232,248	55,353	2,303,753

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

8 PROPERTY, PLANT AND EQUIPMENT – COMPANY

	Electrical installations	Improvements to premises	Furniture & fittings	Office equipment	Air-conditioning	Plant and Machinery	Total
	€	€	€	€	€	€	€
Cost							
At 1 January 2023	316,760	2,261,653	461,038	16,642	289,034	95,820	3,440,947
Additions	-	37,947	315,785	-	-	-	353,732
Disposals	-	(66,349)	-	-	-	-	(66,349)
At 31 December 2023	316,760	2,233,251	776,823	16,642	289,034	95,820	3,728,330
At 1 January 2024	316,760	2,233,251	776,823	16,642	289,034	95,820	3,728,330
Additions	-	17,844	9,751	63,874	-	-	91,469
At 31 December 2024	316,760	2,251,095	786,574	80,516	289,034	95,820	3,819,799
Depreciation							
At 1 January 2023	63,384	569,196	168,259	15,597	191,476	28,746	1,036,658
Charge for the year	21,128	223,325	77,682	348	48,173	9,582	380,238
At 31 December 2023	84,512	792,521	245,941	15,945	239,649	38,328	1,416,896
At 1 January 2024	84,512	792,521	245,941	15,945	239,649	38,328	1,416,896
Charge for the year	21,128	225,109	78,657	16,317	48,171	9,582	398,964
At 31 December 2024	105,640	1,017,630	324,598	32,262	287,820	47,910	1,815,860

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

8 PROPERTY, PLANT AND EQUIPMENT – COMPANY

Carrying amounts

At 31 December 2024	211,120	1,233,465	461,976	48,254	1,214	47,910	2,003,939
At 31 December 2023	232,248	1,440,730	530,882	697	49,385	57,492	2,311,434

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

9 LEASES

9.1 Right of Use Assets

GROUP

	Buildings €	Total €
Cost		
At 1 January 2024	16,369,019	16,369,019
Additions	-	-
At 31 December 2024	16,369,019	16,369,019
Amortisation		
At 1 January 2024	1,924,246	1,924,246
Amortisation	507,953	507,953
At 31 December 2024	2,432,199	2,432,199
Carrying amounts		
At 31 December 2024	13,936,820	13,936,820
At 31 December 2023	14,444,773	14,444,773

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

9 LEASES (continued)

9.1 Right of Use Assets (continued)

COMPANY

	Buildings €	Total €
Cost		
At 1 January 2024	16,369,019	16,369,019
Additions	-	-
At 31 December 2024	16,369,019	16,369,019
Amortisation		
At 1 January 2024	1,924,246	1,924,246
Amortisation	507,953	507,953
At 31 December 2024	2,432,199	2,432,199
Carrying amounts		
At 31 December 2024	13,936,820	13,936,820
At 31 December 2023	14,444,773	14,444,773

9.2 Lease Liabilities

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Current	85,934	402,908	85,934	402,909
Non-current	11,206,645	11,292,569	11,206,645	11,292,569
	11,292,579	11,695,477	11,292,579	11,695,478

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

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

10 INVESTMENT PROPERTY

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Cost/revalued amount				
At 1 January	2,270,250	2,250,000	2,270,254	2,250,000
Additions	-	20,250	-	20,254
At 31 December	2,270,250	2,270,250	2,270,254	2,270,254

Notes:

a) Note 23.1 sets out how the fair value of the investment properties has been determined.

b) Investment properties are leased to third parties on operating leases. Rental income of €60,000 (2023: €81,000) is shown in note 4.

c) Land and buildings with a carrying amount of approximately € 2,270,250 have been pledged to secure borrowings of the Dizz Group of Companies Limited. The land and buildings have been hypothecated as security for bank overdraft.

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

11 INVESTMENT IN SUBSIDIARIES

The investment in group undertakings is as follows:

	Company
	€
Cost	
At 31 December 2024	49,999
At 31 December 2023	49,999

Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting power held	
			2024	2023
D Shopping Malls Finance PLC	Finance	Dizz Buildings Carob Street St. Venera Malta	99.99%	99.99%

12 DEFERRED TAX ASSETS AND LIABILITIES

12.1 Deferred tax assets

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
The balance comprises temporary differences attributable to:				
Excess of capital allowances over depreciation	(21,676)	(10,838)	(21,676)	(10,838)
Unabsorbed losses and capital allowances	28,472	416,362	28,472	416,362
	6,796	405,524	6,796	405,524

12 DEFERRED TAX ASSETS AND LIABILITIES (continued)

12.2 Deferred tax liabilities

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
The balance comprises temporary differences attributable to:				
Investment property	181,620	181,620	181,620	181,620

13 FINANCIAL ASSETS AND LIABILITIES

13.1 Categories of financial assets and financial liabilities

Note 3.12 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:

Group

31 December 2024	Amortised cost	Total
	€	€
Financial assets		
Other financial assets at amortised cost	5,031,994	5,031,994
Trade and other receivables	840,957	840,957
Total financial assets	5,872,951	5,872,951

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

13 FINANCIAL ASSETS AND LIABILITIES (continued)

13.1 Categories of financial assets and financial liabilities (continued)

Group (continued)

31 December 2024	Other liabilities (amortised cost) €	Total €
Non-current borrowings	6,843,443	6,843,443
Current borrowings	1,723,569	1,723,569
Trade and other payables	1,174,299	1,174,299
	9,741,311	9,741,311

31 December 2023	Amortised cost €	Total €
Financial assets		
Other financial assets at amortised cost	4,726,355	4,726,355
Trade and other receivables	177,202	177,202
Total financial assets	4,903,557	4,903,557

	Other liabilities (amortised cost) €	Total €
Non-current borrowings	6,835,166	6,835,166
Current borrowings	2,183,311	2,183,311
Trade and other payables	853,330	853,330
	9,871,807	9,871,807

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

13 FINANCIAL ASSETS AND LIABILITIES (continued)

13.1 Categories of financial assets and financial liabilities (continued)

Company

31 December 2024	Amortised cost €	Total €
Financial assets		
Other financial assets at amortised cost	6,270,301	6,270,301
Trade and other receivables	820,960	820,960
Total financial assets	7,091,261	7,091,261

	Other liabilities (amortised cost) €	Total €
Non-current borrowings	4,417,230	4,417,230
Current borrowings	5,600,926	5,600,926
Trade and other payables	1,072,616	1,072,616
	11,090,772	11,090,772

31 December 2023	Amortised cost €	Total €
Financial assets		
Other financial assets at amortised cost	4,941,639	4,941,639
Trade and other receivables	268,052	268,052
Total financial assets	5,209,691	5,209,691

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

13 FINANCIAL ASSETS AND LIABILITIES (continued)

13.1 Categories of financial assets and financial liabilities (continued)

Company (continued)

	Other liabilities (amortised cost) €	Total €
Non-current borrowings	7,417,230	7,417,230
Current borrowings	2,033,683	2,033,683
Trade and other payables	611,350	611,350
	10,062,263	10,062,263

Note:

a) A description of the Group's financial instrument risks, including risk management objectives and policies is given in Note 22.

13.2 Other financial assets at amortised cost

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Current				
Amounts due from entities under common control of the ultimate beneficiary owners (note)	5,031,994	4,726,355	6,270,301	4,941,639

Note:

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 3.12. Expected credit losses for the year amount to € 60,994.

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

13 FINANCIAL ASSETS AND LIABILITIES (continued)

13.3 Borrowings

Borrowings include the following financial liabilities:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Secured				
Non-Current				
5.35% Bonds 2028 (note a)	6,843,443	6,835,166	-	-
Current				
Bank balance overdrawn	2,229	381	2,107	97
Total secured borrowings	6,845,672	6,835,547	2,107	97

Notes:

(a) During the period 23 July 2018 to 31 December 2019, D Shopping Malls Finance P.L.C. issued € 7,500,000, 5.35% unsecured bonds to the general public. These bonds were fully subscribed and admitted to Prospects MTF. Total proceeds from these bonds amounted to € 7,500,000. Total costs incurred by the D Shopping Malls Finance P.L.C. to issue the bonds amounted to € 82,770. These costs are being amortised in the Income Statement of the D Shopping Malls Finance P.L.C. over the period of the bond.

As set out in the Company Admission Document, the Group 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 Group 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 Group 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.

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

13 FINANCIAL ASSETS AND LIABILITIES (continued)

13.3 Borrowings (continued)

Borrowings include the following financial liabilities:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Unsecured				
Non-Current				
Loan payable to subsidiary (note b)	-	-	4,417,230	7,417,230
Current				
Amounts due to entities under common control of the ultimate beneficiary owners (note c)	1,721,340	2,182,930	2,598,819	2,033,586
Loan payable to subsidiary (note b)	-	-	3,000,000	-
	1,721,340	2,182,930	5,598,819	2,033,586
Total unsecured borrowings	1,721,340	2,182,930	10,016,049	9,450,816

Notes:

(b) The loan due to subsidiary carries an interest rate of 5.6%, is unsecured and is repayable according to a specified loan agreement.
(c) Amounts due to entities under common control of the ultimate beneficiary owners are unsecured, interest free and repayable on demand.

13.4 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 Consolidated Financial Statements (continued)
For the year ended 31 December 2024

14 LEASE LIABILITY

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Current				
Lease liability	85,934	402,908	85,934	402,909
Non-Current				
Lease liability falling due between 2 and 5 years	750,192	561,121	750,192	561,121
Lease liability falling due after 5 years	10,456,453	10,731,448	10,456,453	10,731,448
	11,206,645	11,292,569	11,206,645	11,292,569
Total lease liability	11,292,579	11,695,477	11,292,579	11,695,478

15 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Trade receivables (gross)	259,058	140,501	259,058	216,907
Allowance for credit losses	(7,500)	-	(7,500)	-
Trade receivables	251,558	140,501	251,558	216,907
Other receivables	589,399	36,701	569,402	51,145
Financial assets	840,957	177,202	820,960	268,052
Prepayments	666,832	16,672	660,463	10,498
Contract assets	8,483	-	8,483	-
Total Non-financial assets	675,315	16,672	668,946	10,498
Trade and other receivables	1,516,272	193,861	1,489,906	278,550

Notes:

(a) All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.
(b) Note 22.2 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. Both the current and comparative impairment provisions apply the IFRS 9 expected loss model.

Notes to the Consolidated Financial Statements (continued)
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16 ISSUED CAPITAL

	Company	
	2024	2023
	€	€
Authorised		
1,400,000 ordinary shares of €1 each	1,400,000	1,400,000
Called-up, issued and fully paid		
721,200 ordinary shares of €1 each	721,200	721,200

17 RETAINED EARNINGS

Group	€
At 1 January 2024	1,297,370
Profit for the year attributable to owners	702,596
At 31 December 2024	1,999,966

Company	
At 1 January 2024	1,214,730
Profit for the year	699,646
At 31 December 2024	1,914,376

18 NON-CONTROLLING INTEREST

Group	€
At 1 January 2024	1
Profit for the year attributable to non-controlling interest	-
At 31 December 2024	1

Company	
At 1 January 2024/ At 31 December 2024	-

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

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Trade payables	273,704	421,360	248,653	184,170
Other payables	259,381	276,202	257,311	271,421
Accruals	641,216	155,768	566,652	155,768
Total financial liabilities	1,174,301	853,330	1,072,616	611,359
Advances received for rental income contract	95,790	-	95,790	-
Privileged creditors	727,019	577,041	731,677	826,869
Total Non-financial liabilities	822,809	577,041	827,467	826,869
Trade and other payables	1,997,110	1,430,371	1,900,084	1,438,228

Notes:

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

(b) Advances received for rental income contracts represent amounts in advance (contract liabilities) that are expected to be recognised as revenue in 2025.

20 CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Bank balance overdrawn	(2,229)	(381)	(2,107)	(97)
	(2,229)	(381)	(2,107)	(97)

Note –

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

21 RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

21.1 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the period was as follows:

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

21.2 (Loans to)/loans from related parties/ companies and subsidiary

	Group	
	2024	2023
	€	€
Amounts due to related companies	(1,721,340)	(2,182,930)
Amounts due from related companies	5,031,994	4,726,355

	Company	
	2024	2023
	€	€
Amounts due from related companies	6,270,301	4,941,639
Amounts due to related companies	(2,598,819)	(2,033,586)
Loan payable to subsidiary	(7,417,230)	(7,417,230)

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

21 RELATED PARTY TRANSACTIONS (continued)

21.3 Transactions in the Statement of Profit and Loss

	Company	
	2024	2023
	€	€
Income		
Rent receivable	1,226,495	1,283,113
Service charge	816,243	173,579
Expenses		
Bond interest	409,065	407,948

22 FINANCIAL INSTRUMENTS RISK

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 13.1. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group'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.

The most significant financial risks to which the Group is exposed are described below.

22.1 Market risk analysis

The Group 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 Group has fixed interest bearing liabilities. Fixed interest-bearing liabilities consist of 5.35% Bonds issued to the general public. The Group'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.

22 FINANCIAL INSTRUMENTS (continued)

22.2 Credit risk analysis

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

22.2.1 Credit risk management

The credit risk is managed by management based on the Group'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 Group continuously monitors the credit quality of customers based on a credit rating scorecard. The Group'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.

Trade receivables consist of rental income from leases property.

Security

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

22.2.2 Trade receivables and amounts due from entities under common control of the ultimate beneficiary owners

The Group 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	28,713
Loss allowance recognised during the year	23,704
Loss allowance as at 31 December 2023	52,417
Opening loss allowance at 1 January 2024	52,417
Loss allowance recognised during the year	9,147
Loss allowance as at 31 December 2024	60,994

22 FINANCIAL INSTRUMENTS (continued)

22.2 Credit risk analysis (continued)

22.2.2 Trade receivables and amounts due from entities under common control of the ultimate beneficiary owners (continued)

Trade receivables	
Opening loss allowance at 1 January 2023	342
Loss allowance recognised during the year	(342)
Loss allowance as at 31 December 2023	-
Opening loss allowance at 1 January 2024	-
Loss allowance recognised during the year	7,500
Loss allowance as at 31 December 2024	7,500

22.3 Liquidity risk analysis

Liquidity risk is that the Group might be unable to meet its obligations. The Group 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 Group'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.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables (see Note 15) 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 Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

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

22 FINANCIAL INSTRUMENTS (continued)

22.3 Liquidity risk analysis (continued)

Group	Carrying amounts €	Contractual cash flows €	On demand €	Within one year €	Between two and five years €	After five years €
At 31 December 2023						
Bank overdrawn	381	381	381	381	-	-
Trade and other payables	697,562	697,562	697,562	697,562	-	-
Bond	6,835,166	9,082,002	367,817	367,817	8,714,185	-
	7,533,109	9,77,9945	1,065,760	1,065,760	8,714,185	-
At 31 December 2024						
Bank overdrawn	2,229	2,229	2,229	2,229	-	-
Trade and other payables	533,090	533,090	533,090	533,090	-	-
Bond	6,843,443	8,714,189	367,817	367,817	8,346,372	-
	7,378,762	9,249,508	903,136	903,136	8,346,372	-

The Group continues to assess its funding requirements to ensure that adequate funds are in place to meet its financial liabilities when they fall due.

Company	Carrying amounts €	Contractual cash flows €	On demand €	Within one year €	Between two and five years €	After five years €
At 31 December 2023						
Bank overdrawn	97	97	97	97	-	-
Trade and other payables	455,591	455,591	455,591	455,591	-	-
	455,688	455,688	455,688	455,688	-	-
At 31 December 2024						
Bank overdrawn	2,107	2,107	2,107	2,107	-	-
Trade and other payables	505,964	505,964	505,964	505,964	-	-
	508,071	508,071	508,071	508,071	-	-

23 FAIR VALUE MEASUREMENT

23.1 Fair value measurement of non-financial assets

The following table at Group Level shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

At 31 December 2024	Level 1 €	Level 2 €	Level 3 €	Total €
Investment property				
Land owned in Malta	-	2,270,250	-	2,270,250
	-	2,270,250	-	2,270,250

At 31 December 2023	Level 1 €	Level 2 €	Level 3 €	Total €
Investment property				
Land owned in Malta	-	2,270,250	-	2,270,250
	-	2,270,250	-	2,270,250

The fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the directors at each reporting date.

24 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- to ensure the Group'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 Group 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 Group'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 Group's various classes of debt. The Group 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

25 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.

26 COMPARATIVE FIGURES

Comparative figures were adjusted to reflect this year presentation.