

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Dino Fino Finance p.l.c. (the “Company”) bearing company registration number C100038 pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority

Approval and Publication of Half-Yearly Financial Statements

Quote

The Company hereby announces that the Board of Directors has approved the Company’s unaudited interim financial statements for the six months ended 30 June 2023

A copy of the aforesaid half-yearly unaudited financial statements, as approved, is available for viewing below, and is also available for download from the following link on the Company’s website:

<https://dinofino.com/investor-relations/>

Unquote

By order of the Board



Dr. Austin Gauci Maistre
Company Secretary

31st August 2023

Ref: DFF09

DINO FINO FINANCE P.L.C.

C 100038

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD

1 JANUARY 2023 TO 30 JUNE 2023

DINO FINO FINANCE P.L.C.

COMPANY INFORMATION

Directors: Ms. Alexia Farrugia
Mr. Dino Fino
Dr. Austin Gauci Maistre
Mr. Benjamin Muscat
Mr. Giuseppe Muscat

Secretary: Dr. Austin Gauci Maistre

Company Number: C 100038
Msida Valley Road,
Birkirkara, BKR 9025,
Malta.

Banker: Bank of Valletta Plc
45, Republic Street,
Valletta,
Malta.

DINO FINO FINANCE P.L.C.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2023 TO 30 JUNE 2023

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**INTERIM DIRECTORS' REPORT
FOR THE PERIOD 1 JANUARY 2023 TO 30 JUNE 2023**

This report is published in terms of the Malta Financial Services Authority Listing Rules Chapter 5 and the Prevention of Financial Markets Abuse Act 2005. The underlying accounting policies are the same as those adopted by Dino Fino Finance P.L.C ("the Company") in its published annual report. The interim financial information included in this report has been extracted from the Company's unaudited accounts for the six months ending 30 June 2023, as approved by the board of directors on 29 August 2023 and are prepared in accordance with IAS 34 'Interim Financial Reporting'.

The Company was incorporated on 23 August 2021 and with effect from this date, it acquired full ownership and control of Dino Fino Operations Limited, a company incorporated under the Laws of Malta on 13 June 2017 and having registration number C81069, and Dino Fino Holdings Ltd, a company incorporated under the Laws of Malta on 8 March 2021 and having registration number C98379 ("the Subsidiaries"). The Company and Subsidiaries are collectively referred to as the Group.

To this end, the directors present their report of the Group for the interim period ending 30 June 2023.

Principal Activity

The principal activity of the Company is to carry on the business of a holding and finance company. The activities of the Company are expected to remain consistent in the foreseeable future.

Principal risks and uncertainties

The Company is mainly dependant on the business prospects of the Subsidiaries and consequently, the operating results of the Subsidiaries have a direct effect on the Company's financial position and performance, including the ability of the Company to service its payment obligations under the issued bond.

The Company's main assets consist of investment property and receivables for loans issued to the Subsidiaries. The ability of the Subsidiaries to effect loan repayments to the Company will depend on their respective cash flows and earnings which may be restricted by:-

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

Additionally, the Company is directly exposed to the risks associated with the local property market and indirectly exposed to competition risk, risks relating to the rapid changes in the furniture industry and economic conditions and consumer spending habits. The property market is in turn affected by many factors, including but not limited to general economic conditions, availability of financing, interest rates, supply and demand, or the exercise by tenants of their contractual rights.

Review of business and results

During the period under review, the Company registered a loss of € 685,833. This loss resulted from price increases experienced in the prior year due to increases in supplier pricing and transportation costs arising from international inflation and supply chain issues. Measures were taken by management in the course of the previous year to deal with these matters. The directors continue to actively monitor the operations of the Company and its Subsidiaries in order to safeguard the interest of the Group.

**INTERIM DIRECTORS' REPORT
FOR THE PERIOD 1 JANUARY 2023 TO 30 JUNE 2023**

Dividends and reserves

The directors do not recommend the payment of an interim dividend.

Directors

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

- Ms. Alexia Farrugia:- Independent Non-Executive Director
- Mr. Dino Fino:- Executive Director
- Dr. Austin Gauci Maistre:- Non-Executive Director
- Mr. Benjamin Muscat:- Chairman and Independent Non-Executive Director
- Mr. Giuseppe Muscat:- Executive Director

Directors' Interest

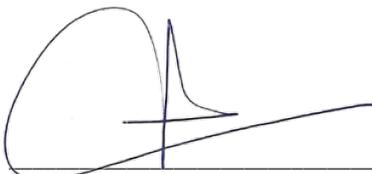
The sole ultimate beneficial owner is Mr. Dino Fino who holds indirectly and directly 100% of the issued share capital of the Company.

**STATEMENT PURSUANT TO LISTING RULE 5.7.5.3
FOR THE PERIOD 1 JANUARY 2023 TO 30 JUNE 2023**

We hereby confirm that to the best of our knowledge:

- The condensed interim financial statements give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34, 'Interim Financial Reporting'); and
- The Interim Directors' Report includes a fair review of the information required in terms of Listing Rule 5.81.

ON BEHALF OF THE BOARD



Mr. Dino Fino
Executive Director



Mr. Benjamin Muscat
Chairman and Non-Executive Director

30 August 2023

**CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 1 JANUARY 2023 TO 30 JUNE 2023**

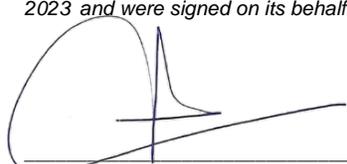
	Note	01-Jan-23 to 30-Jun-23 (Unaudited)	01-Jan-22 to 30-Jun-22 (Unaudited) €
Revenue	8	1,948,716	2,350,478
Cost of sales (including direct costs)	9	(1,658,537)	(1,889,768)
		<hr/>	<hr/>
Gross Profit		290,179	460,710
Other income		64,942	600
Administration expenses	10	(651,836)	(492,270)
Depreciation and amortisation		(170,108)	(113,250)
		<hr/>	<hr/>
Operating Loss		(466,823)	(144,210)
Finance costs	11	(193,674)	(186,450)
		<hr/>	<hr/>
Loss Before Tax		(660,497)	(330,660)
Taxation		(25,336)	-
		<hr/>	<hr/>
Loss After Tax		(685,833)	(330,660)
		<hr/> <hr/>	<hr/> <hr/>

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

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	30-Jun-23 (Unaudited)	31-Dec-22 (Audited) €
Assets			
Non-Current Assets			
Investment Property	1	5,137,257	5,190,310
Property, Plant and Equipment	1	536,051	540,952
Goodwill		3,030,637	3,030,637
Deferred Tax Assets	2	766,000	791,335
Loan to Related Party	3	450,000	450,000
Brand & IP		1,813,333	1,853,333
		11,733,278	11,856,567
Current Assets			
Inventories	4	602,098	579,051
Trade and Other Receivables	5	2,036,675	3,559,438
Cash and Cash Equivalents	6	517,679	536,335
		3,156,452	4,674,824
Total Assets		14,889,730	16,531,392
Equity and Liabilities			
Equity			
Share Capital		3,620,000	3,620,000
Shareholders Loan:- Dino Fino Group		973,422	980,435
Retained Earnings		(1,863,608)	(1,177,775)
		2,729,814	3,422,660
Non-Current Liabilities			
Debt Securities in Issue	12	7,604,831	7,595,425
Long-Term Borrowings		274,114	318,801
		7,878,945	7,914,226
Current Liabilities			
Short Term Borrowings		108,547	116,987
Trade and Other Payables	7	3,251,660	3,865,322
Deposit on Order		920,764	1,212,197
		4,280,971	5,194,506
Total Liabilities		12,159,916	13,108,732
Total Equity and Liabilities		14,889,730	16,531,392

The interim financial statements on pages 3 to 11 were approved by the board of directors on 30 August 2023 and were signed on its behalf by:



Mr. Dino Fino
Executive Director



Mr. Benjamin Muscat
Chairman and Non-Executive Director

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023**

Group

	Share Capital €	Retained Earnings €	Total €
Balance as at 1 January 2022	3,620,000	200,893	3,820,893
Comprehensive Income/(Loss) for the period	-	(330,660)	(330,660)
	<u>3,620,000</u>	<u>(129,767)</u>	<u>3,490,233</u>
Balance as at 30 June 2022 (Unaudited)	3,620,000	(129,767)	3,490,233
	<u>3,620,000</u>	<u>(1,177,775)</u>	<u>2,442,225</u>
Balance as at 31 December 2022 (Audited)	3,620,000	(1,177,775)	2,442,225
	<u>3,620,000</u>	<u>(1,177,775)</u>	<u>2,442,225</u>
Balance as at 1 January 2023	3,620,000	(1,177,775)	2,442,225
Comprehensive Income/(Loss) for the period	-	(685,833)	(685,833)
	<u>3,620,000</u>	<u>(1,863,608)</u>	<u>1,756,392</u>
Balance as at 30 June 2023 (Unaudited)	3,620,000	(1,863,608)	1,756,392

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2023**

	Note	01-Jan-23 to 30-Jun-23 (Unaudited)	01-Jan-22 to 30-Jun-22 (Unaudited) €
Cash flows from operating activities			
Operating Loss for the period		(660,497)	(330,659)
Adjustment for:			
Depreciation of plant and machinery		160,702	110,194
Amortisation		9,406	3,056
Finance Cost		193,674	186,450
		(296,715)	(30,959)
<i>Movement in Working Capital</i>			
Movement in inventories		(23,047)	39,277
Movement in trade and other receivables		1,502,935	(1,221,489)
Movement in trade and other payables		(876,281)	727,918
		306,892	(485,253)
Cash generated/used in operations		306,892	(485,253)
Finance Cost		(193,674)	(152,968)
		113,218	(638,221)
Cash flows from investing activities			
Purchase of Fixed assets & IP		(62,329)	(7,414,673)
(Payments)/Recharge of bond issue costs		(9,406)	(69,825)
		(71,735)	(7,484,498)
Cash flows from financing activities			
Proceeds from bond issue		-	7,800,000
Payments of amounts due to related parties		(7,013)	(999,559)
Repayment of Shareholders' Loan			(86,176)
Proceeds from/(Repayment) of Bank Loan		(53,127)	488,332
		(60,140)	7,202,597
		(18,657)	(920,122)
Net decrease in cash and cash equivalents		(18,657)	(920,122)
Cash and cash equivalents at the beginning of the period		536,336	2,621,432
		517,679	1,701,310
Cash and cash equivalents at the end of period	5	517,679	1,701,310

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**
1. Property, Plant and Equipment
Group

	Cost as at 01.01.22	Accumulated Depreciation as at 01.01.22	Net Book Value as at 01.01.22	Additions / (Disposals) for the period	Depreciation Charge for the Period	Closing Net Book Value as at 31.12.22
	€	€	€	€	€	€
Immovable Property	5,305,257	-	5,305,257	-	(114,947)	5,190,310
Furniture & Fittings	291,095	(86,994)	204,101	45,890	(31,826)	218,165
Other Equipment	36,888	(9,138)	27,750	14,723	(4,076)	38,397
Computer Software & Electronic Equipment	96,863	(76,234)	20,629	24,871	(16,034)	29,466
Motor Vehicle	6,500	(5,200)	1,300	-	(1,300)	-
Improvement to Premises	40,421	(9,187)	31,234	67,038	(4,141)	94,131
Electrical & Plumbing Installations	168,554	(68,200)	100,354	61,157	(29,054)	132,457
Air Conditioner	41,951	(41,526)	425	31,619	(10,488)	21,556
Office Equipment	19,161	(7,760)	11,401	225	(4,846)	6,780
	6,006,690	(304,239)	5,702,451	245,523	(216,712)	5,731,262
	Cost as at 01.01.23	Accumulated Depreciation as at 01.01.23	Net Book Value as at 01.01.23	Additions / (Disposals) for the period	Depreciation Charge for the Period	Closing Net Book Value as at 30.06.23
	€	€	€	€	€	€
Immovable Property	5,305,257	(114,947)	5,190,310	-	(53,053)	5,137,257
Furniture & Fittings	336,985	(118,820)	218,165	26,244	(18,161)	226,248
Other Equipment	51,611	(13,214)	38,397	14,015	(24,841)	27,571
Computer Software & Electronic Equipment	121,734	(92,268)	29,466	8,676	(7,237)	30,905
Motor Vehicle	6,500	(6,500)	-	-	-	-
Improvement to Premises	107,459	(13,328)	94,131	10,005	(5,873)	98,263
Electrical & Plumbing Installations	229,711	(97,254)	132,457	3,390	(17,483)	118,364
Air Conditioner	73,570	(52,014)	21,556	-	8,786	30,342
Office Equipment	19,386	(12,606)	6,780	-	(2,423)	4,357
	6,252,213	(520,951)	5,731,262	62,329	(120,285)	5,673,308

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 30 JUNE 2023
2. Deferred Tax Asset

The measurement in the deferred tax asset is as follows:-

	30.06.23	31.12.22
		€
At the beginning of the period	791,335	239,057
Credited/(Charged) to profit or loss	(25,335)	552,278
At the end of the period	<u>766,000</u>	<u>791,335</u>

3. Loan to related party

This relates to a loan of Euro 450,000 to Dino Fino Group Ltd for further investments, carrying an interest rate of 5.25% per annum with a 2-year moratorium on the principal and repayable in 5 equal instalments with the first instalment becoming due on the 7th day of August 2024 and every year thereafter.

4. Inventories

	30.06.23	31.12.22
		€
Furniture and Fittings on Display	602,098	579,051
	<u>602,098</u>	<u>579,051</u>

5. Trade and Other Receivables

	30.06.23	31.12.22
		€
Trade and Other Receivables	914,399	797,228
Related Party Balances	44,461	27,564
Accrued Income	1,077,064	2,734,543
Indirect Tax	751	104
	<u>2,036,675</u>	<u>3,559,438</u>

(*) The Accrued Income represents a calculation of the value of sales orders that have been confirmed in line with the requirements of IFRS 15.

It is to be noted that an intragroup loan owed by Dino Fino Operations Ltd to the Company amounting to €1,269,000, is netted on a consolidated level. This loan bears an interest of 5.25% per annum and is repayable by 1 November 2033.

6. Cash at Bank and in Hand

	30.06.23	31.12.22
		€
Total Cash and Cash Equivalents	517,679	536,335
	<u>517,679</u>	<u>536,335</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 30 JUNE 2023
7. Trade and Other Payables

	30.06.23	31.12.22
		€
Trade and Other Payables	1,876,927	2,791,562
Related Party Balances	28,757	32,790
NI/Payee	226,403	189,893
Direct and Indirect Tax	1,119,573	851,078
	<u>3,251,660</u>	<u>3,865,323</u>

8. Revenue

	01.01.23 to 30.06.23	01.01.22 to 30.06.22
		€
Retail Revenue	<u>1,948,716</u>	<u>2,350,478</u>

Retail revenues for the half-year ending 30th June 2022 reflected the extraordinary increase in household furniture sales generally attributed to the impact of the covid pandemic.

9. Cost of Sales

Cost of sales for the period under review amounted to € 1,658,537. Such expenses included costs relating to retail purchases amounting to € 1,159,594, net of closing stock movement, freight costs amounting to € 110,937 and direct costs amounting to € 411,053.

10. Administrative Expenses

Administrative expenses for the period under review amounted to € 651,836, an increase of Euro 159,566 against the same period last year. The increase mainly relates to increases in payroll and advertising costs.

11. Finance Cost

	01.01.23 to 30.06.23	01.01.22 to 30.06.22
		€
Interest Payable to Bond Holders for the Period	186,450	186,450
Interest Payable on Loan facility	7,224	-
	<u>193,674</u>	<u>186,450</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS - continued
FOR THE PERIOD ENDED 30 JUNE 2023

12. Borrowings

On 30 September 2021, the Company published a prospectus for the issue of € 7,800,000 4.75% Secured Bonds having a nominal value of € 100 each. The Bonds were issued in one tranche of € 7,800,000 on 19 November 2021 and were fully subscribed. The bond issue was admitted to the Official List of the Malta Stock Exchange plc with effect from 21 November 2021. Trading on the bond issue commenced on November 2021.

The bonds are redeemable at par on 19 November 2033. Interest on the bond issued is payable annually in arrears on 19 November.

13. Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those to be disclosed in the financial statements for the year ending 30 June 2023.

14. Contingent Liabilities

No events occurred since 30 June 2023 that require disclosure of any contingent liabilities as at 30 June 2023.