



SHOPPING MALLS
FINANCE P.L.C.

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The "Company"

Financial Sustainability Forecasts

Date of Announcement

30th December 2019

The following is a company announcement issued by D Shopping Malls Finance plc (the Company) pursuant to 4.11.12 of the Prospects Rules, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange ("Prospects MTF").

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

Revenues

In October 2019, the D Shopping Mall Group (D Shopping Malls Limited and D Shopping Malls Finance p.l.c.) inaugurated Center Parc, and to date has leased out all units. Due to circumstances outside its control, the D Shopping Malls Group has encountered several delays in the development of D Mall and as a result, to date has leased out one unit from a total of 9 units.

The Group's revenue for the twelve months ending 31 December 2020 is expected to total €3.4 million and is based on agreements in place and on the assumption that all units within D Mall are leased by February 2020. This translates into an increase of €0.5 million on the original projections issued in the Company Admission Document dated 27 September 2018 ('the Original Projections') principally due to the deferral of key money on D Mall, from FY2019 to FY2020.

Direct costs

Direct costs comprise the amortisation on the right-of-use asset by the D Shopping Malls Group on D Mall and Center Parc, which is accounted for in terms of IFRS 16 Leases. Direct costs are expected to be €140k lower than the Original Projections due to a change in payment terms with Sliema Wanderers Football Club following a delay in the expected opening of D Mall.

Administrative expenses

Administrative expenses consist primarily of administrative salaries, marketing costs, general overheads, ongoing bond issue costs, depreciation and amortisation. Administrative expenses are expected to total €446k during FY2020, and this is in line with the Original Projections.

Depreciation on property, plant and equipment, which is mainly composed of the projects' finishing costs, is calculated using the straight-line method.

Finance costs

Finance costs consist of interest on the Bond and the unwinding of interest on the finance lease liability, given that the leases entered into on D Mall and Center Parc are accounted for under IFRS 16 Leases. Consequently, net finance costs are expected to amount to €816k in FY2020.

Taxation

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

Working capital

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

Consolidated income statement

€000	2020
Revenue	3,437
Cost of sales	(703)
Gross profit	2,734
Administrative and selling expenses	(446)
Operating profit	2,288
Net finance cost	(816)
Profit before tax	1,473
Taxation	(717)
Profit after tax	756

Consolidated statement of financial position

€	2020
ASSETS	
Non-current assets	
Investment property	12,088
Property, plant and equipment	2,678
Total non-current assets	14,766
Current assets	
Trade and other receivables	257
Cash and cash equivalents	2,013
Total current assets	2,271
Total assets	17,037
EQUITY AND LIABILITIES	
Equity	
Share capital	770
Revaluation reserve	523
Retained earnings	164
Total equity	1,458
Non current liabilities	
Minimum lease payments	7,131
Deferred tax	46
Borrowings	7,359
Total non-current liabilities	14,536
Current liabilities	
Minimum lease payments	400
Trade and other payables	125
Taxation	518
Total current liabilities	1,043
Total liabilities	15,579
Total equity and liabilities	17,037

Consolidated statement of cash flows

€	2020
Cash flow from operations	
EBITDA	2,498
Add back depreciation and amortisation	671
Working capital adjustments	
Changes in receivables	561
Changes in payables	(152)
Operating cash flow	3,579
Interest paid	(401)
Net cash generated from operating activities	3,177
Cash flow from investing activities	
Acquisition of property, plant and equipment	(1,059)
Net cash used in investing activities	(1,059)
Cash flow from financing activities	
Movement in related party balances	(462)
Net cash generated from financing activities	(462)
Movements in cash and cash equivalents	1,657
Cash and cash equivalents at beginning of year	357
Cash and cash equivalents at end of year	2,013



Ian Vella Galea
Company Secretary