

# Annual Report

TIGNÉ MALL PLC

2023

THE POINT



THE POINT  
SHOPPING



# Annual Report

TIGNÉ MALL PLC

2023

THE POINT  
SHOPPING

# CHAIRMAN'S Statement



Dear shareholders,

I am delighted to present the Chairman's Statement for Tigné Mall plc for financial year 2023. It brings me great pleasure to share with you the continued success and achievements of our company over the past year. Despite the ongoing challenges presented by the global economic landscape and the ever-evolving local retail market, I am pleased to report that the company has maintained its solid performance throughout 2023.

In terms of financial performance, the company recorded revenues of €8.5 million, and registered growth in operating profits. This performance underscores the strength and stability of our business model and reflects the effectiveness of our strategic initiatives. Consequent to these results, the Board of Directors will be recommending payment of a final net dividend of €815,000 for shareholders' approval at the 2024 Annual General Meeting.

Furthermore, our commitment to enhancing the customer experience and maintaining The Point as a premier destination has remained steadfast. In 2023, we continued to attract reputable retailers and brands, further consolidating our position as the leading shopping centre in Malta. Notably, we welcomed new tenants to The Point, further contributing to our diverse and vibrant retail ecosystem. The centre remained fully let during the year under review, reflecting the sustained demand for space within our centre.

In line with our commitment to Environment, Social, and Corporate Governance (ESG) principles, Tigné Mall plc continued to prioritise sustainability and responsible business practices throughout 2023. We implemented various initiatives to reduce our environmental footprint, promote social responsibility, and uphold strong governance standards. These efforts reflect our ongoing commitment to creating long-term value for our stakeholders and the communities we serve.

As we look to the future, we are optimistic about the opportunities that lie ahead for Tigné Mall plc. We remain committed to delivering sustainable growth, fostering innovation, and creating value for our shareholders.

Tigné Mall plc is dedicated to achieving growth that is not only financially sound but also environmentally and socially responsible. By pursuing sustainable growth, we aim to create long-term value for our shareholders while preserving the planet for future generations.

Innovation is at the heart of our strategy for remaining competitive and relevant in an ever-changing retail landscape. Tigné Mall plc is committed to embracing emerging technologies, trends, and consumer preferences to enhance the customer experience and drive operational efficiency. By fostering a culture of innovation, we can stay ahead of the curve and adapt quickly to evolving market dynamics.

Our primary objective is to deliver sustainable returns for our shareholders over the long term. By focusing on creating value for shareholders, we aim to build trust and confidence in our company's performance and its prospects.

Our focus on excellence, integrity, and customer satisfaction will continue to guide our strategic direction in the years to come. These values serve as the guiding principles for everything we do at Tigné Mall plc. We strive for excellence in every aspect of our operations, from the quality of our facilities and services, to the professionalism of our staff. Integrity is key, and we strive to adhere to the highest ethical standards in all our business dealings. Above all, customer satisfaction remains paramount, and we are dedicated to delivering exceptional experiences that exceed expectations and build lasting relationships with our patrons. By upholding these values, we seek to ensure that Tigné Mall plc remains a trusted and respected leader in the retail industry, both now and in years to come.

Tigné Mall plc is well-positioned to capitalise on future opportunities by prioritising sustainable growth, fostering innovation, creating value for shareholders, and upholding our core values of excellence, integrity, and customer satisfaction. These principles will continue to guide our strategic direction as we navigate the dynamic and evolving landscape of the retail sector in Malta.

On behalf of the Board of Directors, I would like to express my gratitude to our dedicated centre management team, whose hard work and dedication have been instrumental in achieving our success. I would also like to thank my fellow directors on the company's board, our tenants, partners, and various stakeholders for their continued support and collaboration.

In conclusion, I extend my sincere appreciation to you, our esteemed shareholders, for your unwavering trust and confidence in Tigné Mall plc. Together, we will continue to build on our achievements.

Sincerely,



Mr. Joseph Zammit Tabona  
Chairman of the Board



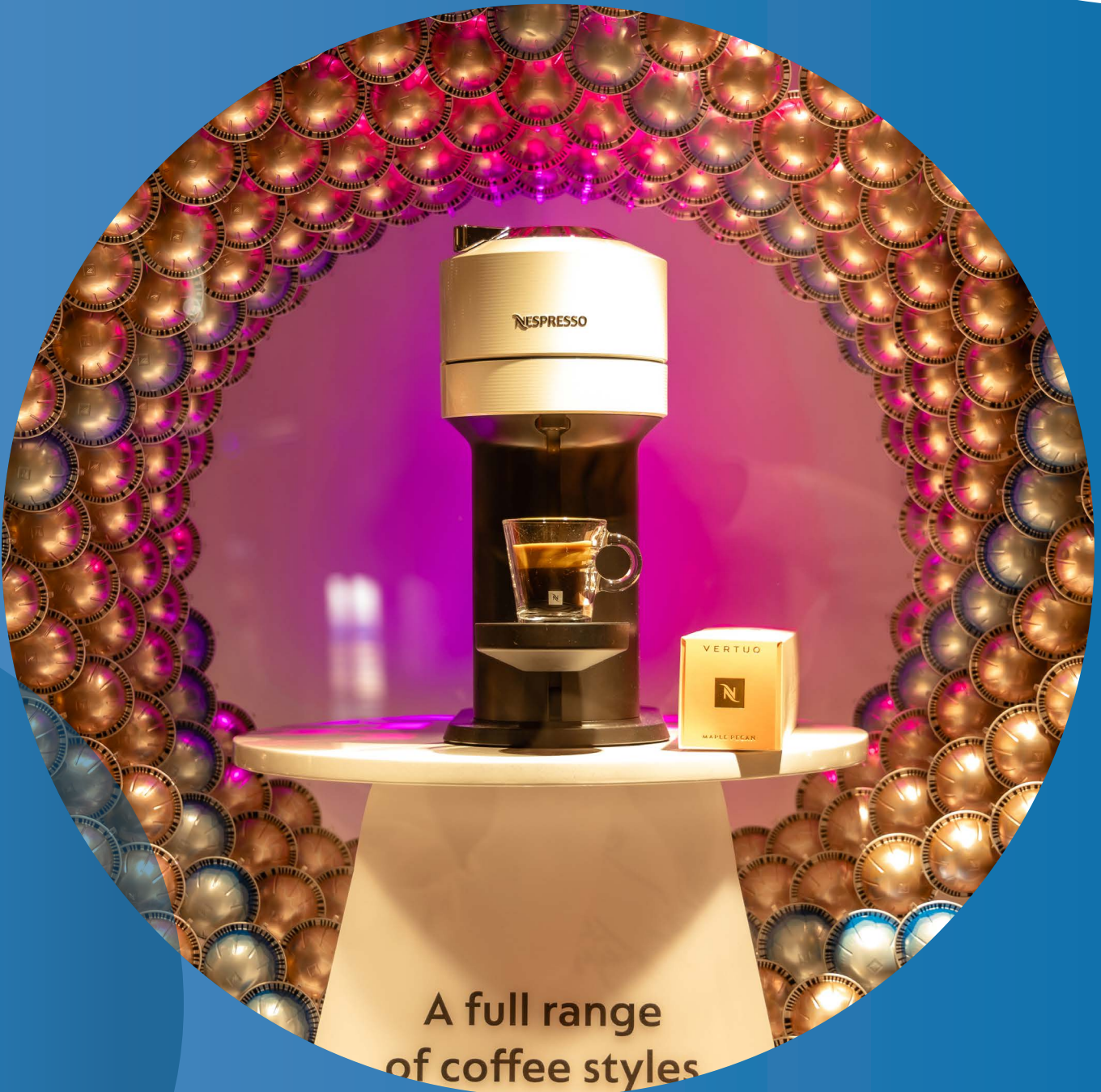


# THE BOARD









A full range  
of coffee styles

# CHIEF EXECUTIVE'S Review



Dear shareholders,

I am delighted to present to you the Annual Report for our esteemed company for financial year 2023. It gives me great pleasure to announce that our business has not only continued to thrive but has also exceeded expectations, showcasing solid growth and resilience amidst evolving market dynamics. Despite the challenges faced, we have entrenched our position as the premier shopping destination, consistently delivering unparalleled experiences for our valued customers.

### Financial Performance

In terms of financial performance, The Point has once again achieved encouraging results in 2023. We have witnessed a 4% increase in revenue, now surpassing €8.5 million. This strong performance can be attributed to our relentless efforts in enhancing the customer experience and diversifying our offerings, coupled with the strategic implementation of innovative digital marketing strategies. Moreover, our diligent focus on cost management and operational efficiency has further bolstered our profit margins with profits before tax now reaching €5 million. As a result, we have achieved an uplift in profits after tax, now totalling €3.9 million, a 4.7% increase on the previous year. Consequently, we ended the year with earnings per share (EPS) of 6.99 Euro cents, our highest ever.

### Tenant Retention and Acquisition

Tenant retention remains a cornerstone of our strategy, and I am pleased to report that we have sustained a commendable tenant retention rate, with minimal turnovers throughout the year. Furthermore, we have successfully attracted prestigious new tenants, including renowned brand Homemate, augmenting the allure of our mall's offerings and enriching the shopping experience for our esteemed patrons.

### Marketing and Promotions

Our strategic marketing and promotional endeavours have continued to yield positive results, playing a pivotal role in driving foot-traffic, and boosting sales. We have persistently invested in cutting-edge digital marketing initiatives, leveraging social media platforms and targeted online campaigns to amplify our reach and engagement. Additionally, our meticulously curated events and promotions have resonated profoundly with our discerning clientele, further elevating our brand visibility, and fostering customer loyalty.

### Customer Experience

At The Point, we remain unwavering in our commitment to delivering unparalleled customer experiences. We have implemented a myriad of initiatives aimed at enhancing customer convenience, including an upgrade of our parking facilities, optimisation of wayfinding systems, and enhancement of our food and beverage offerings. Moreover, we prioritised the maintenance of a pristine and secure environment, continuously gathering and acting upon customer feedback in this respect. This approach underscores our dedication to fostering a customer-centric ethos, ensuring that every visit to our mall is a positive experience.

### Sustainability

In support of our responsibility towards environmental stewardship, we have intensified our efforts to champion sustainability initiatives. Our steadfast commitment to green practices is evident through the implementation of energy-efficient solutions, waste reduction programs, and comprehensive recycling initiatives. Not only do these endeavours contribute to mitigating our environmental footprint, but they also yield tangible cost savings, further bolstering our operational efficiency.

### Looking Forward

As the company charts a course towards the future, we remain resolutely committed to elevating the shopping experience for our discerning clientele. We are committed to further investment in technological advancements and infrastructural enhancements to augment convenience and efficiency. We are likewise committed to continue attracting reputable tenants and expanding our diverse array of offerings, while actively exploring avenues for sustainable growth.

In conclusion, I extend my heartfelt gratitude to our esteemed shareholders, tenants, and patrons for their steadfast support and invaluable contributions to our continued success. I would also like to express my profound appreciation to our esteemed board of directors for their guidance and unwavering commitment. Last but certainly not least, I extend my sincerest gratitude to the dedicated members of our compact but effective centre management team, whose unwavering dedication have been instrumental in achieving our remarkable milestones. As we reflect upon the accomplishments of 2023, we do so with pride and optimism, eagerly anticipating the opportunities that lie ahead.



Edwin Borg  
Chief Executive Officer

## PROFIT AFTER TAX



## REVENUE



## EBITDA



# THE POINT





TIGNÉ MALL PLC

# Annual Financial Report

# 2023

Company Registration Number: C 35139





Calvin Klein Jeans

MANGO

MANGO

MANGO

SWAROVSKI

A



# CONTENTS

18

Directors' report

23

Corporate Governance -  
Statement of compliance

30

RemNom Committee Report

35

Statement of  
financial position

36

Income statement

37

Statement of  
changes in equity

38

Statement of cash flows

39

Notes to the financial statements



# DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

The Company's principal activity is the ownership and management of 'The Point Shopping Mall' (the Mall) and its car park.

## REVIEW OF THE BUSINESS

Financial year 2023 has been a very positive year for the business. Malta's tourism results for the year showed a record number of inbound tourists, exceeding the 3 million mark, and also exceeding 2019 arrivals by 8.3%. This, coupled with the general increase in the local population, has meant that consumer demand experienced a period of sustained growth. Aggregate like-for-like tenant turnover at The Point has consequently been better than both 2022 and 2019. Despite this, tenants continued to report challenges on the human resources front during the period under review.

The introduction of Homemate, a leading home-improvement retailer, into our shopping centre during the year under review, marks an important milestone in our centre's journey. This strategic addition has not only enriched our tenant mix but has also propelled the centre to full occupancy, a testament to our commitment to delivering excellence in retail offerings. Homemate's presence has enhanced the diversity and appeal of our shopping centre, attracting a broader range of customers seeking quality home improvement products and ancillary products and services. Through collaborative marketing efforts and synergistic partnerships, we have effectively leveraged the strength of our brand mix to drive foot traffic and boost overall tenant sales performance. This successful integration underscores our ability to adapt to evolving consumer preferences and solidifies our position as a premier destination for comprehensive shopping experiences.

In the ever-changing retail landscape within which the business operates, our shopping centre has achieved remarkable success through marketing strategies tailored to diverse customer segments. By employing innovative marketing initiatives, we have effectively engaged with varied demographics, capturing their attention and loyalty. Through targeted campaigns, events, and digital outreach, we've bolstered footfall, driving increased traffic through our doors. This surge in footfall, coupled with strategic promotions and partnerships, has translated into substantial growth in turnover and profitability, marking significant milestones for our company. Our commitment to understanding and connecting with our customers on multiple levels has not only enhanced their shopping experience but also strengthened our position as a premier destination for retail, leisure, and entertainment.

The Company's senior management team has compiled financial projections for the year ending 31 December 2024. These comprise historical financial information up to the date of authorisation for issue of these financial statements and forecast financial information for the rest of 2024. These cash flow projections show that the Company is expected to continue having sufficient liquidity and financial resources to meet its ongoing obligations and expected cash outflows.

Based on the outcome of the cash flow projections referred to above, the Directors and senior management consider the going concern assumption in the preparation of the Company's financial statements as appropriate as at the date of authorisation for issue of the 2023 financial statements. They also believe that no material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern exists as at that date.

As at 31 December 2023, the Company's current liabilities exceeded its current assets by €0.07 million (2022: €0.9 million). During the year, the Company managed this position through a programme of active liquidity management. In this context, the Company expects to continue generating significant net cash inflows from its operations such that it will be able to steadily meet its operational current liabilities on an ongoing basis.

## Vision

In view of new developments in the shopping centre landscape, our company's vision for The Point remains unwavering. Our goal persists in maintaining its status as Malta's premier shopping mall destination, providing visitors with unparalleled experiences while ensuring sustainable returns for shareholders. As we navigate the evolving market dynamics, our strategy evolves to encompass not only the provision of a compelling retail destination but also proactive adaptation to emerging trends and competition. This entails further strengthening relationships with tenants, curating an even more iconic mix of brands, and innovating to deliver exceptional long-term growth in net rental income.

Additionally, we will continue to explore strategic growth opportunities, leveraging our expertise to enhance shareholder value even in the context of increased competition. This vision reinforces our commitment to excellence and resilience in an ever-changing retail landscape.

## DIRECTORS' REPORT - CONTINUED

### REVIEW OF THE BUSINESS - CONTINUED

#### *Environment, Social and Corporate Governance (ESG)*

Tigné Mall plc's commitment to providing a positive customer experience needs to be attained in the context of Environment, Social and Corporate Governance (ESG) obligations. The Company believes it has a duty to ensure positive impact and growth for its stakeholders including the community within which it operates, its tenants, its own people, as well as its business. In support of this, the Company has taken various initiatives to reduce energy consumption across its operations as it proceeds on its journey to reduce the carbon footprint of the centre. The Board is being advised on the key issues in all three areas.

#### *Trading performance*

During 2023, the Company's revenues amounted to €8.5 million, an increase of 4% over the previous year and operating profits increased to €5.4 million (2022: €5.2 million). Earnings before interest, tax and depreciation increased to €7.5 million (2022: €7.3 million). Finance costs decreased to €0.4 million (2022: €0.5 million); of which €0.15 million relates to the interest charged to profit or loss on the lease liability, which represents the present value of the remaining lease payments over the emphyteutical term, in line with the terms of IFRS 16. As in previous years, the Company opted to be taxed at a final withholding tax rate of 15% on its rental income. It consequently incurred an effective tax expense of €1.3 million (2022: €1.2 million), ending the year with profits after tax of €3.9 million (2022: €3.8 million).

During the year under review the Company generated €7 million by way of cash flow from operating activities. This was mainly directed towards the repayment of bank borrowings, payment of dividend, ongoing capital expenditure and the servicing of working capital requirements.

The Financial Risk Management note in the Financial Statements (note 2) explains the process of how the Board identifies and manages its financial risks. The main categories of risk described in this Note are market risk, credit risk and liquidity risk. The same note includes extensive detail of the processes undertaken by the Company to manage these risks.

The Statement of Compliance with the Principle of Good Corporate Governance and RemNom Committee Report in this Annual Financial Report, describes other non-financial key performance indicators relevant to the Company, including information relating to employee matters.

### RESULTS AND DIVIDENDS

The financial results are set out on page 36. During the year a net interim dividend of €765,000 (2022: €750,000) and a final net dividend of €765,000 (2022: €750,000) were distributed to the shareholders. Subsequent to the end of the reporting period, the Directors recommend the payment of a final net dividend of €815,000 in relation to the 2023 financial results.

### DIRECTORS

The Directors of the Company who held office during the financial year ended 31 December 2023 were:

Joseph Zammit Tabona (Chairman)  
David Demarco – (retired on 22 June 2023)  
Marzena Formosa  
Chantelle Marie Coleiro – (retired on 22 June 2023)  
Albert Frendo  
Suzanne Stafrace – (appointed on 22 June 2023 and resigned on 5 October 2023)  
Etienne Sciberras – (appointed on 22 June 2023)  
Michael Agius – (appointed on 11 January 2024)

In accordance with the Company's articles of association, the directors retire from office at the Annual General Meeting and are eligible for re-election or re-appointment.

## DIRECTORS' REPORT - CONTINUED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the Directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Annual Financial Report on the website in view of their responsibility for the controls over, and the security of, the website. The financial statements of Tigné Mall p.l.c. for the year ended 31 December 2023 are included in the Annual Financial Report 2023, which is available for viewing or download on the Company's website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

The Directors confirm that, to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union on the basis explained in note 1 to the financial statements; and
- the Annual Financial Report includes a fair review of the development of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company face.

### INFORMATION PURSUANT TO CAPITAL MARKETS RULE 5.64

#### Structure of Capital

The Company has an authorised share capital of 60,000,000 ordinary shares of €0.50 each and issued and fully paid-up share capital of 56,400,000 ordinary shares with a nominal value of €0.50 each. The Ordinary Shares rank pari passu amongst each other for all purposes. Each Ordinary Share is entitled to one vote. There are currently no different classes of Ordinary Shares in the Company and accordingly all Ordinary Shares have the same rights, voting rights and entitlements in connection with any distribution whether of dividends or capital (on a winding up or otherwise). All the shares are freely transferable and have been admitted to trading on the Malta Stock Exchange.

#### Appointment and removal of Directors

Article 94 of the Company's Memorandum and Articles of Association states that at each Annual General Meeting of the Company all the Directors shall retire from office. A Director retiring from office shall retain office until the dissolution of such Meeting and a retiring Director shall be eligible for re-election or re-appointment. The Directors shall be elected as provided in Article 98 of the Memorandum and Articles of Association that is a maximum of 5 Directors shall be elected at each Annual General Meeting (or at an Extraordinary General Meeting convened for the purpose of electing Directors). Voting shall take place on the basis that every Member shall have one vote in respect of each ordinary share held by him. A Member may use all his votes in favour of one candidate or may split his votes in any manner he chooses amongst any two or more candidates. The Chairman of the Meeting shall declare elected those candidates who obtain the greater number of votes on that basis. The Company's Articles of Association contain a provision whereby the Directors are entitled to appoint additional directors to the Board where this would be to the benefit of the Company in view of their commercial knowledge and experience.

## DIRECTORS' REPORT - CONTINUED

### INFORMATION PURSUANT TO CAPITAL MARKETS RULE 5.64 - CONTINUED

#### Powers of Directors

The Directors are empowered to act on behalf of the Company and in this respect have the authority to enter into contracts, sue and be sued in representation of the Company. In terms of the Memorandum and Articles of Association they may transact all business of whatever nature not expressly reserved by the Memorandum and Articles of Association to the shareholders in general meeting or by any provision contained in any law for the time being in force.

#### General Meetings

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year and not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next. All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitions as provided by the Companies Act. Any two Members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

A General Meeting of the Company shall be called by not less than 21 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of meeting, the proposed agenda for the Meeting and in case of special business, the general nature of the business to be considered as well as other information. A notice calling an Annual General Meeting shall specify the meeting as such and a notice convening a meeting to pass an Extraordinary Resolution as the case may be, shall specify the intention to propose the resolution as such and the principal purpose thereof. A notice of General Meeting called to consider extraordinary business shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such extraordinary business.

Any Member or Members holding not less than 5% in nominal value of all the shares entitled to vote at the meeting may:

- a. request the Company to include items on the agenda of the General Meeting, provided that each item is accompanied by a justification or a draft resolution to be adopted at the Annual General Meeting; and
- b. table draft resolutions for items included in the agenda of a General Meeting. The request to put items on the agenda of the General Meeting or the tabling of draft resolutions to be adopted at the General Meeting shall be submitted to the Company (in hard copy or in electronic form to an email address provided by the Company for the purpose) at least 46 days before the date set for the General Meeting to which it relates and shall be authenticated by the person or persons making it.

An "Ordinary Resolution" means a resolution taken at a General Meeting of the Company passed by a Member or Members having the right to attend and vote at such meeting holding in the aggregate more than 50% in nominal value of the shares represented and entitled to vote at the meeting. An "Extraordinary Resolution" means a resolution taken at a General Meeting of the Company of which notice specifying the intention to propose the text of the resolution as an extraordinary resolution and the principal purpose thereof has been duly given and passed by a number of Members having the right to attend and vote at such meeting holding in the aggregate not less than 75% in nominal value of the shares represented and entitled to vote at the meeting and at least 51% in nominal value of all the shares entitled to vote at the meeting.

#### Directors' interests in the Company's share capital

The Company's Directors do not have any direct or indirect interests in the share capital of the Company.

## DIRECTORS' REPORT - CONTINUED

### INFORMATION PURSUANT TO CAPITAL MARKETS RULE 5.64 - CONTINUED

[Registered Shareholders with 5% or more of the Company's share capital](#)

	As at 31 December 2023		As at 22 April 2024	
	ORDINARY SHARES	% HOLDING	ORDINARY SHARES	% HOLDING
Mapfre MSV Life p.l.c.	20,000,000	35.46%	20,000,000	35.46%
Marsamxett Properties Ltd	18,787,652	33.31%	22,158,008	39.29%

Until 8 October 2023, HSBC Bank Malta plc as Custodian for HSBC Life Assurance (Malta) Ltd, held 12.81% share in the Company and until 7 November 2023, Bank of Valletta plc held 16.7% share in the Company.

#### [Other matters](#)

The Company has nothing to report in relation to the requirements of Capital Markets Rules 5.64.4, 5.64.5, 5.64.6, 5.64.7 and 5.64.10 since they do not apply to the Company. Information relating to the requirements of Capital Markets Rule 5.64.11 is reflected in the RemNom Committee Report on page 30.

### INFORMATION PURSUANT TO CAPITAL MARKETS RULE 5.70.1

In terms of Capital Markets Rule 5.70.1, the Company did not enter into any new material contracts.

### GOING CONCERN

The Directors, as required by Capital Markets Rule 5.62 have considered the Company's operational performance, the statement of financial position as at year-end as well as the business plans for the coming year, and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, in preparing the financial statements, they continue to adopt the going concern basis in preparing the financial statements.

### AUDITORS

In 2023 the Company launched a process for the engagement of external auditors. The process was overseen by the Audit Committee and resulted in a recommendation to re-appoint PricewaterhouseCoopers as the Company's external auditors. The recommendation was approved by the Board of Directors and their re-appointment as the Company's external auditors will be proposed to shareholders at the 2024 Annual General Meeting.

Signed on behalf of the Board of Directors on 22 April 2024 by Joseph Zammit Tabona (Chairman) and Etienne Sciberras (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Registered office:

The Point Shopping Mall  
Management Suite  
Tigné Point  
Sliema TP01  
Malta

22 April 2024

# CORPORATE GOVERNANCE – STATEMENT OF COMPLIANCE

## A. INTRODUCTION

Tigné Mall p.l.c. (the “Company”) is required to include a statement of compliance with the Code of Principles of Good Corporate Governance (the “Code”) contained in Appendix 5.1 of the Capital Markets Rules issued by the Malta Financial Services Authority. This statement is made in terms of Capital Markets Rules 5.94 and 5.97.

The Board of Directors (“the Board”) believes that the adoption of these principles is in the best interest of the Company, its shareholders and other stakeholders, since compliance with the Code is expected by investors on the Malta Stock Exchange and further evidences the Directors’ and the Company’s commitment to a high standard of corporate governance.

Good corporate governance is the responsibility of the Board, and in this regard, the Board has carried out a review of the Company’s compliance with the Code. It has taken measures for the Company to comply with the requirements of the Code to the extent that this is considered appropriate and complementary to the size, nature and operations of the Company. Notwithstanding the fact that the Principles of Good Corporate Governance are not mandatory, the Board has endorsed them and ensured their adoption, save as indicated within the section entitled Non-Compliance with Code where the Board indicates and explains the instances where it has departed from or where it has not applied the Code.

## B. COMPLIANCE WITH THE CODE

### Principle 1: The Board

The Directors believe that for the period under review the Company has complied with the requirements of this principle.

The overall management and business strategy of the Company is vested in the Board consisting of a Chairman and three (3) Directors. The Board has provided the necessary leadership in the overall direction of the Company and at the same time has adopted systems whereby it obtains timely information from the Chief Executive Officer (the “CEO”) to ensure an open dialogue between the CEO and Directors on an ongoing basis and not only at meetings of the Board.

All the Directors, individually and collectively, are of the appropriate calibre and have the necessary skills and experience to contribute effectively to the decision-making process. The Board delegates specific responsibilities to three committees, namely the Supervisory Committee, the Audit Committee and the RemNom Committee, each of which operates under formal terms of reference approved by the Board.

### Principle 2: Chairman and Chief Executive

In line with the requirements of Principle 2, the Company has segregated the functions of the Chairman and the CEO. The Chairman is responsible to lead the Board and to set its agenda, ensuring that the Board’s discussions on any issue put before it go into adequate depth, encouraging the involvement of all Directors, and ensuring that all the Board’s decisions are supported by precise, timely and objective information. The Chairman, together with the Supervisory Committee, ensures that the CEO implements the strategy that is agreed to by the Board.

These positions have been defined with specific roles rendering them completely separate from one another and are occupied by Mr. Joseph Zammit Tabona and Mr. Edwin Borg respectively.

The Board has delegated specific authority to the CEO to manage activities within the Company which include, amongst others:

- Implementation of policies as set by the Board;
- Working towards objectives established by the Board;
- Putting into effect plans to organise, direct and manage the human resources available to attain the highest possible profitability and results in the interest of the Company’s shareholders and all other stakeholders.

The role of the CEO is to plan, co-ordinate and control the daily operations of the Company through the leadership and direction of the Company’s human resources. The CEO reports regularly to the Supervisory Committee and the Board on the performance and affairs of the Company.

Together with the Chairman of the Board, the CEO represents the Company with third parties.

## CORPORATE GOVERNANCE – STATEMENT OF COMPLIANCE - CONTINUED

### B. COMPLIANCE WITH THE CODE - CONTINUED

#### Principle 3: Composition of the Board

The size of the Board, whilst not being large as to be unwieldy, is appropriate for the requirements of the Company's business and conducive to good corporate governance. The combined and varied knowledge, experience and skills of the Board members provides a robust framework for efficient decision-making, supports the effective control and management of the Company's affairs and contributes to the functioning of the Board and its direction to the Company. The Board is composed entirely of non-executive Directors, comprising independent non-executives, each of whom is able to add value and to bring independent judgement to bear on the decision-making process.

The CEO attends all Board meetings, albeit without a vote, providing direct input into the Board's deliberations and gaining in-depth understanding of the Board's policy and strategy in the process.

The following Directors served on the Board during the period under review:

#### *Non-Executive Chairman*

Joseph Zammit Tabona

#### *Non-Executive Directors*

David Demarco – (retired on 22 June 2023)

Marzena Formosa

Chantelle Marie Coleiro – (retired on 22 June 2023)

Albert Frendo

Suzanne Stafrace – (appointed on 22 June 2023 and resigned on 5 October 2023)

Etienne Sciberras – (appointed on 22 June 2023)

Michael Agius – (appointed on 11 January 2024)

Pursuant to generally accepted practice, as well as the Company's Articles of Association, the appointment of Directors to the Board is reserved to the Company's shareholders, except in so far as an appointment is made to fill a vacancy on the Board, or the Board is of the opinion that it would be of benefit to the Company if additional Directors are appointed in view of their commercial knowledge and experience. A Director shall hold office from the end of one Annual General Meeting to the end of the next and a retiring Director shall be eligible for re-election or re-appointment.

At an election of directors, every shareholder shall have one (1) vote in respect of each ordinary share held. A shareholder may use all his votes in favour of one candidate or may split the votes in any manner amongst two or more candidates. The Chairman is elected by a simple majority from amongst the Directors of the Company.

#### Principle 4: The Responsibilities of the Board

In fulfilling its mandate within the terms of the Company's Memorandum and Articles of Association, the Board of Directors assumes responsibility to:

- a) establish corporate governance standards;
- b) review, evaluate and approve the business plan and targets submitted by management and work with management towards their successful implementation;
- c) identify the principal business risks for the Company and oversee the implementation and monitoring of appropriate risk management systems;
- d) ensure that effective internal control systems are in place and review their effectiveness;
- e) review, evaluate and approve the overall corporate organisation structure, the assignment of management responsibilities, the performance of senior management and plans for senior management development including succession planning;
- f) review, evaluate and approve compensation strategy for senior management;
- g) review periodically the Company's objectives and policies relating to social, health and safety and environmental responsibilities; and
- h) ensure that the Company has in place a policy that enables it to communicate effectively with shareholders, stakeholders and the public in general.



## CORPORATE GOVERNANCE – STATEMENT OF COMPLIANCE - CONTINUED

### B. COMPLIANCE WITH THE CODE - CONTINUED

#### Principle 4: The Responsibilities of the Board - Continued

The Board supervises compliance with the Capital Markets Rules, including those pertaining to the preparation and publication of the Annual Financial Report and Financial Statements. It approves the Financial Statements for submission to the General Meeting of the shareholders and accordingly retains direct responsibility for approving and monitoring:

- (i) the Business Plan for the Company;
- (ii) the Annual Financial Plans including capital budgets;
- (iii) the Annual Financial Statements;
- (iv) proposals to increase the issued capital and to materially increase or decrease the Company's funding; and
- (v) other resolutions which the Board may determine to be subjected to its approval from time to time.

Any meeting that a Director wishes to initiate may be arranged through the Company Secretary. A Director of the Company has access to the advice from internal and external sources which are deemed necessary for carrying out the respective roles and responsibilities and the Company will bear the related expenses.

#### Principle 5: Board Meetings

The Board of Directors meets at least every quarter and on any other occasion as may be necessary. Further to attending scheduled Board meetings, individual Directors participate in other ad hoc meetings which may be called during the year as may be required. They are also active in Board sub-committees, either to assure good corporate governance or to contribute to the Company's decision-making process. Board meetings are presided over by the Chairman and all Directors are allowed equal opportunity to voice and express their views on matters relating to the Company and its business.

Twelve meetings of the Board of Directors were held during 2023 and attendance was as follows:

<b>BOARD MEMBER</b>	<b>ATTENDED</b>
Joseph Zammit Tabona	12 (out of 12)
David Demarco – (retired on 22 June 2023)	5 (out of 5)
Marzena Formosa	12 (out of 12)
Chantelle Marie Coleiro – (retired on 22 June 2023)	5 (out of 5)
Albert Frendo	11 (out of 12)
Suzanne Stafrace – (appointed on 22 June 2023 and resigned on 5 October 2023)	4 (out of 4)
Etienne Sciberras – (appointed on 22 June 2023)	7 (out of 7)
Michael Agius – (appointed on 11 January 2024)	0 (out of 0)

#### Principle 6: Information and Professional Development

The CEO is appointed by the Board and enjoys its full support and confidence. The recruitment and selection of senior management is the responsibility of the CEO in consultation with the Board. Likewise, the CEO consults with the Board on matters relating to succession planning for senior management within the Company. The Board considers and discusses succession planning measures at all senior management levels taking into account the size and depth of the management team of the Company, with reliance on a limited number of officers.

Newly appointed Directors are provided with briefings by the CEO, the Company Secretary and also by other members of management in respect to the operations of the Company. A comprehensive information pack is handed over to a new Director following his appointment, which typically includes the Memorandum and Articles of Association of the Company, the Company's policies and its latest published financial statements, whether annual or half-yearly. The Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are adhered to. Additionally, Directors may seek independent professional advice on any matter at the Company's expense.

The Company ensures the personal development of Directors, management and employees by recommending attendance to seminars, conferences as well as training programmes that are designed to help improve the potential of its staff members whilst furthering the Company's competitiveness.

## CORPORATE GOVERNANCE – STATEMENT OF COMPLIANCE - CONTINUED

### B. COMPLIANCE WITH THE CODE - CONTINUED

#### Principle 7: Evaluation of Board's Performance

In early 2024 the Board carried out an evaluation of its own performance together with that of its Committees, the Chairman and the individual directors. Under the direction of the Chairperson of the RemNom Committee, the evaluation process for the Board was conducted through a comprehensive Board Effectiveness Questionnaire, the results of which were analysed by the Chairperson of the RemNom Committee and the Chairman of the Board of Directors and discussed by the Board. The review has not resulted in any material changes to the Company's internal organisation or in its governance structures.

#### Principle 8: Committees

The Board has appointed the following Committees:

##### *Audit Committee*

For the year under review, the Audit Committee was composed of three non-executive Directors and had the following members:

David Demarco (Chairman of the Committee) - (retired on 22 June 2023)  
Chantelle Marie Coleiro - (retired on 22 June 2023)  
Albert Frendo – (from 1 January to 22 June 2023, then re-appointed on 16 October 2023)  
Etienne Sciberras (Chairman of the Committee) – (appointed on 22 June 2023)  
Marzena Formosa – (appointed on 22 June 2023)  
Suzanne Stafrace – (appointed on 22 June 2023 and resigned on 5 October 2023)

In terms of Capital Markets Rule 5.118, up until 22 June 2023, Mr David Demarco was the Director whom the Board considered as competent in accounting and auditing. Following Mr Demarco's retirement from the Board of Directors, Mr Etienne Sciberras was appointed in his stead and was subsequently considered by the Board to be the Director competent in accounting and auditing. Mr Sciberras is an independent non-executive Director and is considered independent because he is free from any significant business, family or other relationship with the Company or its management, that may create a conflict of interest such as to impair his judgement. Mr Sciberras is also competent in accounting in terms of the Capital Markets Rules, holding the relevant qualifications and currently occupying a senior position within a company operating in the life insurance sector.

For the purpose of Code Provision 3.2, the Board considers each of the other non-executive Directors as independent within the meaning of the Code, notwithstanding their positions of senior executive officers within other entities that are shareholders of the Company.

The Audit Committee is a committee appointed by the Board and is directly responsible and accountable to the Board. The Audit Committee's primary purpose is to:

- a. protect the interests of the Company's shareholders; and
- b. assist the Directors in conducting their role effectively so that the Company's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times.

The Board has set formal terms of reference for the Audit Committee that establish its composition, role and function. The Board may change these terms of reference from time to time.

The main role and responsibilities of the Audit Committee are:

- a. to inform the Board of Directors of the outcome of the statutory audit and to explain how the statutory audit contributed to the integrity of the Financial Statements and what the role of the audit committee was in this process;
- b. to monitor the financial reporting process and to submit recommendations of proposals to ensure its integrity;
- c. to establish internal procedures and to monitor these on a regular basis;
- d. to monitor the effectiveness of the Company's internal quality control and risk management systems and, where applicable, its internal audit regarding the financial reporting without breaching its independence;
- e. to monitor the audit of the annual and consolidated financial statements, in particular, its performance, taking into account any findings and conclusions by the competent authority pursuant to Article 26 (6) of the Statutory Audit Regulation;
- f. to review the additional report prepared by the statutory auditors or audit firm submitted to the Audit Committee in terms of Article 11 of the Statutory Audit Regulation. The Audit Committee may disclose the additional report to third parties in order to execute its functions in line with the terms of reference;

## CORPORATE GOVERNANCE – STATEMENT OF COMPLIANCE - CONTINUED

### B. COMPLIANCE WITH THE CODE - CONTINUED

#### Principle 8: Committees - Continued

- g. to review and monitor the independence of the statutory auditors or audit firms in accordance with Articles 22, 22a, 22b, 24a and 24b of the Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, amending Council Directive 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC and Article 6 of the Statutory Audit Regulation and in particular the appropriateness of the provision of non-audit services to the audited entity in accordance with Article 5 of the Statutory Audit regulation;
- h. the responsibility for the procedure for the selection of statutory auditors or audit firms;
- i. to recommend the statutory auditors or the audit firm to be appointed in accordance with Article 16 of the Statutory Audit Regulation;
- j. to review the Company's internal financial control system and, unless addressed by a separate risk committee or the Board itself, risk management systems; and
- k. to review the organisation of the internal audit function of the Company, including its plans, activities, staffing and organisational structure.

The role of the Audit Committee with respect to related party transactions.

The Audit Committee shall be responsible for vetting and approving related party transactions.

The Audit Committee shall ensure that any such transactions are entered into at arm's length and on a normal commercial basis and shall give due consideration to:

- the materiality of the transaction;
- whether the transaction is in the ordinary course of the Company's business;
- whether the transaction gives rise to preferential treatment to the Related Party.

Should the Audit Committee deem that the related party transaction will have a material effect on the Company's business, it shall proceed as required by the Capital Market Rules, and the Company shall make a Company announcement which shall contain:

- the nature and details of the transaction;
- the name of the Related Party concerned; and
- details of the nature and extent of the interest of the Related Party in the transaction.

Where the proposed related party transaction is not approved by the Audit Committee but the Company still wants to proceed with the transaction, the Company shall:

- make a Company Announcement with the details set out above;
- send a circular to its shareholders; and
- obtain the approval of its shareholders either prior to the transaction being entered into and where applicable ensure that the Related Party itself abstains from voting on the relevant resolution. During the general meeting convened for this purpose, the Board of directors of the Company shall disclose the fact that the audit committee did not approve the related party transaction.

The Audit Committee met four times. The CEO, the Financial Controller and the external auditors were invited to attend relevant parts of such meetings. Attendance at the meetings was as follows:

<b>BOARD MEMBER</b>	<b>ATTENDED</b>
David Demarco (Chairman of the Committee) - (retired on 22 June 2023)	2 (out of 2)
Chantelle Marie Coleiro - (retired on 22 June 2023)	2 (out of 2)
Albert Frendo – (from 1 January to 22 June 2023, then re-appointed on 16 October 2023)	2 (out of 2)
Etienne Sciberras (Chairman of the Committee) – (appointed on 22 June 2023)	2 (out of 2)
Marzena Formosa – (appointed on 22 June 2023)	2 (out of 2)
Suzanne Stafrace – (appointed on 22 June 2023 and resigned on 5 October 2023)	2 (out of 2)
Michael Agius – (appointed on 11 January 2024)	0 (out of 0)

#### **Supervisory Committee**

The Board delegates specified authority and accountability for the Company to the Supervisory Committee, which is composed of Ms. Marzena Formosa (Chairperson of the Committee up to 22 June 2023), Mr. Albert Frendo (Chairperson of the Committee from 22 June 2023) and Mr. Edwin Borg. The Supervisory Committee supervises the management of the Company, to ensure the attainment of its strategy and objectives.

The Supervisory Committee typically meets every month and the terms of reference of the Committee envisage the execution of policy matters delegated by the Board to ensure the attainment of the Company's objectives.

## CORPORATE GOVERNANCE – STATEMENT OF COMPLIANCE - CONTINUED

### B. COMPLIANCE WITH THE CODE - CONTINUED

#### Principle 8: Committees - Continued

##### *RemNom Committee*

A separate “RemNom Committee Report” features on pages 30 to 34 in the Annual Financial Report in compliance with the relevant Code provisions of the Principles of Good Corporate Governance.

#### Principle 9 & 10: Relations with Shareholders and with the Market, and Institutional Investors

The Company recognises the importance of maintaining a dialogue with its shareholders and of keeping the market informed to ensure that its strategies and performance are well understood. In the Board’s view, the Company communicates effectively with shareholders by issuing two bi-annual Shareholders’ newsletters, publishing its results on a six-monthly basis during the year, by way of half yearly and annual financial reports and financial statements, through Interim Directors’ Statements, through periodical Company Announcements and through press releases in the local media to the market in general. The financial results are available on the Company’s website [www.thepointmalta.com](http://www.thepointmalta.com), in the Investors Relations Section. Within seven months of the end of the financial year, the annual general meeting of the Shareholders is convened to consider the annual financial statements, the Directors’ and Auditors’ reports thereon, to decide on any dividends recommended by the Board, to elect Directors, to appoint auditors and to set their respective remuneration. A presentation is given by the CEO of the Company showing how the Company operated in the light of prevailing economic and market conditions, and an assessment on future prospects is given. More information on Annual General Meetings is disclosed in the Directors’ Report.

The Chairman arranges for all Directors to attend the Annual General Meeting. As outlined below, the Board has adopted rules whereby directors having conflicts of interest on any matters being discussed at Board level disclose the conflict in a timely manner to the Board and the Director so conflicted will not be allowed to vote on such matters.

#### Principle 11: Conflicts of Interest

The Directors are fully aware of their responsibility to act in the interest of the Company and its shareholders at all times and of their obligation to avoid conflicts of interest. Such conflicts of interest affecting Board members may, and do, arise on specific matters from time to time. In these instances, by virtue of the Memorandum and Articles of Association:

- a director is obliged to make full disclosure with respect to any matter where there is a potential or a real conflict of interest, whether such conflict arises from personal interests or the interests of the companies in which such person is a director or an officer;
- the said director is excused from the meeting and consequently not involved in the Board’s discussion on the matter; and
- the said director does not vote on such matter.

The Memorandum and Articles of Association state that if any question arises at any meeting as to the materiality of a Director’s interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, then such question shall be referred to the Audit Committee and their ruling shall be final and conclusive.

Potential conflicts of interest may principally arise in relation to the leasing out of retail space and the procurement of certain services.

In the event of a prospective lease the Chief Executive Officer negotiates with the prospective tenant to ensure that a superior standard and type of tenant is taken on at the best possible terms and conditions.

The Supervisory Committee is responsible for the supervision of such process. In particular, it is responsible for approving prospective tenants in principle, assisting and directing the CEO in negotiations with tenants. Accordingly, leases for retail space within ‘The Point Shopping Mall’ are approved by the Board on the advice of the Supervisory Committee.

All contracts for goods and services and any other purchases are based upon the principle of competitive bidding. The CEO negotiates with suppliers in order to ensure that the best quality goods and services are procured by the Company at the best possible price. The Supervisory Committee is responsible to supervise such procurement processes by assisting and directing the CEO in negotiations with contractors, suppliers and service providers.

The Company has also implemented a clear and detailed policy in respect of dealings of Directors in the Company’s shares, which policy is based on timely and comprehensive disclosures and notices as required by applicable legislation. On joining the Board and from time to time during the financial year, Directors are informed of their obligations on dealing in securities of the Company, as set out in the Capital Market Rules and the Market Abuse Regulation.

The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interest of the Company.

## CORPORATE GOVERNANCE – STATEMENT OF COMPLIANCE - CONTINUED

### B. COMPLIANCE WITH THE CODE - CONTINUED

#### Principle 12: Corporate Social Responsibility

The Company recognises the importance of its role in the corporate social responsibility (CSR) arena and works to meet the expectations of the community in this respect. Amongst the initiatives taken during the year under review, the Company has endeavoured to meet its CSR obligations, in particular through:

- its support for fundraising events for charitable institutions;
- participation in recognised student-exchange programmes for the benefit of both local and foreign students;
- waste recycling initiatives; and
- energy conservation initiatives.

### C. NON-COMPLIANCE WITH THE CODE

#### Principle 3: Composition of the Board

The Board is composed entirely of non-executive Directors, including independent non-executives. However, the Board holds the opinion that it is of an adequate size and that the balance of skills and experience is appropriate for the requirements of the Company. The attendance of the CEO at Board meetings is deemed a sufficiently effective measure to ensure a balance of executive and non-executive participation.

#### Principle 4: Succession policy for the future composition of the Board (Code Provision 4.2.7)

The Board notes that pursuant to the Company's Memorandum and Articles of Association, the appointment of Directors to serve on the Board of Directors is a matter which is entirely reserved to the shareholders of the Company. As indicated in the statement of compliance, all newly appointed Directors are given an adequate induction course in the operations, activities and procedures of the Company to be able to carry out the function of a Director in an effective manner. The Board also notes the emphasis in this Code provision on the executive component of the Board and points out that the Company's Board is composed entirely of non-executive members.

#### Principle 9: Relations with Shareholders and with the Market (Code Provision 9.3)

There are no procedures disclosed in the Company's Memorandum or Articles as recommended in Code Provision 9.3, to resolve conflicts between minority shareholders and controlling shareholders. No such conflicts have arisen during the year under review.

### D. INTERNAL CONTROL AND RISK MANAGEMENT IN RELATION TO THE FINANCIAL REPORTING PROCESS

The Board is ultimately responsible for the Company's system of internal control and risk management and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide a reasonable, as opposed to absolute, assurance against material misstatement or loss.

The Company operates through the Board of Directors and the Supervisory Committee with clear reporting lines and delegation of powers. The Board of Directors has adopted and implemented appropriate policies and procedures to manage risks and internal control. The Supervisory Committee plans, executes, controls and monitors business operations in order to achieve the set objectives.

The Directors, with the assistance of Management, are responsible for the identification, evaluation and management of the key risks to which the Company may be exposed. The Company has clear and consistent procedures in place for monitoring the system of internal financial controls. The Directors also receive periodic management information giving comprehensive analysis of financial and business performance including variances against the Company's set targets. This process is applicable specifically in relation to the Company's financial reporting framework.

The Audit Committee reviews and assesses the effectiveness of the internal control systems, including financial reporting, and determines whether significant internal control recommendations made by the Auditors have been implemented. The Committee plays an important role in initiating discussions with the Board with respect to risk assessment and risk management, reviews contingent liabilities and risks that may be material to the Company.

# REMNUM COMMITTEE REPORT

The Tigné Mall p.l.c. (the 'Company') Remuneration and Nominations Committee (the 'Committee') hereby submits its Remuneration Report ('Report') for the financial year ending 31 December 2023 to the Company's shareholders. The Report is drawn up in accordance with, and in fulfilment of the provisions of Chapter 12 of the Capital Markets Rules issued by the Malta Financial Services Authority ('Capital Markets Rules') relating to the Remuneration Report and Section 8A of the Code of Principles of Good Corporate Governance (Appendix 5.1 of the Capital Markets Rules) regarding the Remuneration Statement.

## TERMS OF REFERENCE

The Committee, in its function as Remuneration Committee is tasked with the oversight of the Company's remuneration policy for its Directors and senior executives, being those persons reporting directly to the Board of Directors. The Committee is responsible for making proposals to the Board on the individual remuneration packages of its Directors and senior executives in line with the Company's Remuneration Policy. It also monitors remuneration levels and structures with a view to ensure their continued alignment with the Company's business strategies, values and long-term interests. In addition, the Committee evaluates, recommends and reports on proposals made by the Company's Chief Executive Officer relating to remuneration packages for senior executives.

## COMMITTEE MEMBERSHIP AND MEETINGS

During the period 1 January 2023 until the 22 June 2023, the Committee was composed of Dr Chantelle Coleiro as Chairperson and Ms Marzena Formosa and Mr David Demarco as members. Following the Company's Annual General Meeting held on the 22 June 2023, the Committee was re-constituted such that Ms Suzanne Stafrace was appointed Chairperson (until her resignation on the 5 October 2023) and Mr Etienne Sciberras and Mr Albert Frendo were appointed members. Mr Etienne Sciberras was appointed Chairperson of the Committee on the 16 October 2023.

The Committee held two meetings during the year under review, on the 6th March 2023 and 23rd August 2023, which were attended as follows:

MEMBER	ATTENDED
Dr. Chantelle Coleiro (until 22 June 2023)	1 out of 1
Ms. Marzena Formosa (until 22 June 2023)	1 out of 1
Mr. David Demarco (until 22 June 2023)	1 out of 1
Ms Suzanne Stafrace (between 22 June 2023 and 5 October 2023)	1 out of 1
Mr Etienne Sciberras (from 22 June 2023)	1 out of 1
Mr Albert Frendo (from 22 June 2023)	1 out of 1

## REMUNERATION POLICY

The Company's Remuneration Policy for its Directors and Chief Executive Officer (the 'Remuneration Policy') was approved by the shareholders at the Annual General Meeting held on 9th September 2020. The resolution relating to the Remuneration Policy was passed with 46,924,788 votes in favour, representing 100% of participating votes. As the resolution was approved by the required majority, the Remuneration Policy was implemented in 2020.

In 2022 non-material updates to the Remuneration Policy were carried out to reflect mainly changes to the designation of the applicable rules, which were renamed Capital Markets Rules and other minor alterations to the text thereof. The revised Policy was approved by the Board of Directors on 14 April 2022. The updated Policy is available for viewing on the Company's website.

In terms of the Capital Markets Rules, the Company is required to submit the Remuneration Policy to a vote by the general meeting at least every four years. Accordingly, the Committee will be submitting an updated Remuneration Policy for the consideration and approval of the Company's shareholders at the 2024 Annual General Meeting.

The Company's Remuneration Policy is designed such that the Company can attract, motivate and retain the right individuals as would assist the Company in the implementation of its business strategies, for its long-term benefit and sustainability. In line with the Company's objectives of good governance, the Policy aims to deliver fair and transparent remuneration to those persons charged with its management and administration. The Policy is based on a number of core principles, namely the creation of long-term value for the Company's shareholders, the motivation and retention of the Company's management and the alignment of the interests of the management with the interests of its shareholders. The Company's Remuneration Policy is in line with the policy for the remuneration paid to Directors and senior executives in the preceding financial period. The remuneration paid to the Directors and Chief Executive Officer during the year under review is in conformity with the Company's Remuneration Policy.

## REMNUM COMMITTEE REPORT - CONTINUED

### REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Remuneration Report for the financial year ended 31 December 2022 was submitted for discussion at the Annual General Meeting held on the 22nd June 2023. No questions relative to the said Remuneration Report were received in advance, or raised at the Annual General Meeting.

The Company has complied with the procedure for the implementation of the Remuneration Policy as set out in Chapter 12 of the Capital Markets Rules issued by the Malta Financial Services Authority.

### DIRECTORS' REMUNERATION

The Company's Board of Directors is composed entirely of non-executive Directors, including a non-executive Chairman. None of the directors have a service contract with the Company.

In terms of the Company's Articles of Association, the maximum annual aggregate emoluments payable to the Board of Directors in any one financial year shall be determined by the Shareholders in General Meeting.

In accordance with the Remuneration Policy, the Board will then allocate from such amount, a fixed fee to each member in recognition of the individual's time commitment, contribution and ongoing responsibilities towards the Company. Remuneration payable to directors in their capacity as such, is not linked to the Company's share price or performance and is comparable to remuneration paid by companies of a similar size operating in a comparable business environment. None of the Directors are entitled to profit sharing, share options, pension benefits, termination payments or other similar remuneration.

The Company's approach to the payment of such remuneration is that of motivating and retaining high performing Directors by recognising and rewarding their contribution, which is critical to the implementation of the Company's long-term strategy.

On 22 June 2023 the General Meeting set a threshold for maximum annual aggregate emoluments of Directors at €150,000, in line with the previous year. The aggregate amount of fees proposed by the Committee and approved by the Board to be paid as emoluments in accordance with the Remuneration Policy during the year under review amounted to €108,425. This was deemed to be consistent with market practice and conducive to the achievement of the Company's strategic objectives. It is also considered as being aligned with the terms and objectives of the Remuneration Policy as it seeks to better reflect the responsibilities assigned to each director and to take into account current market remuneration levels. The Committee considers that the total remuneration paid to Directors of the Company contributes towards the long-term performance of the Company as it seeks to incentivise and promote commitment towards achieving the best interests of the Company.

The Board of Directors has agreed to keep the current remuneration payable under review to ensure its consistency with comparable market trends and commensurate with the duties and responsibilities of the Directors.

Total emoluments received by Directors during the financial year 2023 for the purposes of Code Provision 8.A.5 are as follows:

- Fixed remuneration	€108,425 (2022: €87,453)
- Variable remuneration	None (2022: None)
- Share Options	None (2022: None)
- Others	None (2022: None)

In terms of the requirements within Appendix 12.1 of the Capital Markets Rules, the following table presents the annual change of remuneration of the Directors and of the Chief Executive Officer, of the Company's performance, and of average remuneration on a full-time equivalent basis of the Company's employees (other than directors and Chief Executive Officer) over the three most recent financial years.

PERCENTAGE ANNUAL CHANGE OF THE COMPANY'S PERFORMANCE	PERCENTAGE ANNUAL CHANGE OF THE AVERAGE REMUNERATION OF THE COMPANY'S EMPLOYEES ON FULL-TIME EQUIVALENT BASIS
%	%
2022 - 2023: 4%*	2022 - 2023: 11.2%
2021 - 2022: 31.4%*	2021 - 2022: 9.5%
2020 - 2021: 68%*	2020 - 2021: 3%

*\*The percentage annual change of the Company's performance included in the above table is based on the Company's profit before tax, as this has been deemed by management to be the most appropriate basis for measuring performance. The percentage annual change of the Company's performance between 2020 and 2021 appears to be elevated in view of the substantial impact of the pandemic on the Company's financial results for the year ended 31 December 2020, with subdued profits reported driven primarily by lease incentives granted to tenants.*

## REMOM COMMITTEE REPORT - CONTINUED

### DIRECTORS' REMUNERATION - CONTINUED

For the purposes of Appendix 12.1 of Chapter 12 of the Capital Markets Rules issued by the Malta Financial Services Authority, the following were paid as Directors' emoluments during the financial year 2023:

NAME	POSITION	Emoluments received						
		2023 €	% ANNUAL CHANGE	2022 €	% ANNUAL CHANGE	2021 €	% ANNUAL CHANGE	2020 €
Joseph Zammit Tabona	Chairman	28,000	32.5%	21,133	48.1%	14,266	-5.1%	15,026
Marzena Formosa	Non-executive director	21,414	20.1%	17,833	31.7%	13,538	-15.2%	15,962
David Demarco (resigned on 22 June 2023)*	Non-executive director	9,895	24.8%	16,821	33.0%	12,643	-9.9%	14,032
Muriel Rutland (resigned on 1 April 2020)	Non-executive director	-	n/a	-	n/a	-	n/a	2,900
Caroline Buhagiar Klass (appointed on 1 April 2020 and resigned on 5 May 2022)*	Non-executive director	-	n/a	4,330	33.1%	12,643	9.0%	8,700
Albert Frendo (appointed on 15 June 2021)*	Non-executive director	21,922	34.1%	16,351	39.7%	6,412	n/a	-
Joseph M. Zrinzo (appointed on 9 September 2020 and resigned on 15 June 2021)*	Non-executive director	-	n/a	-	n/a	5,803	0.0%	3,625
Alicia Agius Gatt (resigned on 9 September 2020)	Non-executive director	-	n/a	-	n/a	-	n/a	8,030
Chantelle Coleiro (appointed on 17 June 2022 and resigned on 22 June 2023)*	Non-executive director	9,895	0.0%	10,985	n/a	-	n/a	-
Suzanne Stafrace (appointed on 22 June 2023 and resigned on 5 October 2023)	Non-executive director	6,041	n/a	-	n/a	-	n/a	-
Etienne Sciberras (appointed on 22 June 2023)	Non-executive director	11,258	n/a	-	n/a	-	n/a	-
Edwin Borg	Chief Executive Officer:							
	Fixed	120,653	9.5%	110,138	15.8%	95,138	0.7%	94,440
	Variable	19,465		16,454		12,950		13,265

\*The percentage annual change of emoluments received for directors who were appointed or whose appointment was terminated throughout the financial year has been calculated based on annualised emoluments.

The General Meeting on 17th June 2022 approved resolution proposing an increase of the threshold of aggregate emoluments to Directors to €150,000. With effect from 1 July 2022, the fee levels attributable to the roles of Chairman of the Board, Board members, Chairpersons of the Audit and other Committees, and members of the Audit and other Committees were revised upwards to reflect market practice and the level of responsibilities allocated to such roles. This change is not related to the level of the Company's financial performance and accordingly the comparison between the annual changes in fees, the Company's financial performance and the average remuneration of the Company's employees is not presented and not considered relevant. The amounts in respect of the financial year ended 31 December 2020 reflect one-time adjustments and changes to the fee levels for the year ended 31 December 2021 are mainly attributable to changes in the committees' composition.

No non-cash benefits were offered to Directors during the year under review. Other than as set out above, no compensation was paid to Suzanne Stafrace as compensation in connection with the cessation of her directorship.



## REMNUM COMMITTEE REPORT - CONTINUED

### CHIEF EXECUTIVE OFFICER'S REMUNERATION

The Company's day to day administration and operations are managed by the Chief Executive Officer ('CEO'). The Company's Remuneration Policy with respect to the CEO is designed to attract and motivate a qualified and experienced professional engaged by the Company to execute its business plans in a highly competitive market.

In accordance with the Remuneration Policy, the CEO's remuneration is made up of a fixed component and a variable element. The fixed component constitutes a basic remuneration awarded for the performance of the CEO's executive function, reflecting his experience and knowledge, together with the responsibilities and assigned functions of this role. This fixed component is not linked to variable parameters or to the results achieved by the Company. The fixed element is also benchmarked to market parameters taking into account remuneration for CEOs of entities with a similar size operating in a comparable sector.

The variable element is structured as a performance bonus aimed at rewarding the CEO's performance with respect to the achievement of a set of financial and non-financial targets which contribute to the long-term interests and sustainability of the Company. These typically include EBITDA-based targets, liquidity levels, project realization and similar criteria. These targets are established on an annual basis and may vary from year to year depending on the circumstances of the Company's operations at any given time. Achievement of financial objectives is measured by a comparison of the targets set and the outcomes realised. Assessment of non-financial objectives is made by the Committee through a qualitative assessment of the CEO's performance exercised in a reasonable manner. The variable element is structured to provide an appropriate balance between the fixed and variable elements of the CEO's remuneration, such that the variable element represents a small part of total remuneration as compared to the fixed element. The Company does not have an option to reclaim back variable remuneration paid to the CEO.

By way of non-cash benefits, the CEO is entitled to health insurance, professional indemnity insurance cover and a fully expensed Company car.

The CEO is entitled to the equivalent of a full year's pay, as severance payment, should within three years following a change in control of the Company, his employment be terminated for reasons other than for any of the specific causes set out in the contract of employment or by the executive himself in the cases set out in the contract. The CEO's contract of employment is for an indefinite term.

Other than as stated above, the CEO is not entitled to profit sharing, share options, pension benefits or other similar remuneration.

The Company's approach with respect to the CEO's remuneration is that in line with the Remuneration Policy, it seeks to motivate and retain a qualified and experienced professional to execute the Company's short and longer term business plans in a competitive market and thereby grant such remuneration as is commensurate with the functions assigned and the responsibilities attached to the role. The Board considers that the CEO's remuneration package aligns to the Remuneration Policy objectives and current market remuneration levels. The Board also believes that the CEO's remuneration package contributes towards incentivising the role holder to achieve the Company's objectives and create sustainable future growth.

For the purposes of Appendix 12.1 of Chapter 12 of the Capital Markets Rules, the total emoluments received by the CEO, for the financial year under review in accordance with the Company's Remuneration Policy consisted of a fixed remuneration of €120,653 annually (2022: €110,138) and a variable remuneration of €19,465 (2021: €16,454). It is noted that the award of variable remuneration was predominantly based on the achievement of financial and non-financial targets, including EBITDA-based targets, liquidity levels, project realization and adherence to Company policies. Non-cash benefits for the year under review amounted to €14,286.

### SENIOR EXECUTIVES' REMUNERATION

For the purposes of this Remuneration Report, reference to Senior Executives shall mean the Chief Executive Officer and the Financial Controller.

The Committee is tasked with recommending to the Board of Directors the appropriate remuneration packages for Senior Executives. In doing so, the Committee is mindful of the need to attract, retain and motivate the right professionals. Base salaries are determined in accordance with the Company's salary structure for its senior management, paying due regard to market conditions and remuneration rates offered by comparable organisations for comparable roles. The Company's policy is such that none of the Company's senior management are entitled to any share options, profit sharing arrangements or pension benefits.

## REMNUM COMMITTEE REPORT - CONTINUED

### SENIOR EXECUTIVES' REMUNERATION - CONTINUED

It is the Company's policy to engage its senior management on the basis of indefinite contracts of employment after a period of probation, rather than on fixed term contracts. Accordingly, the applicable notice periods, after probation, are those provided for in the relevant legislation. The terms and conditions of employment of senior management are specified in their respective indefinite contracts of employment.

The individual contracts of employment of Senior Executives, other than the CEO, do not contain provisions for termination payments and/or other payments linked to early termination other than as may be applicable in accordance with legal requirements.

Senior Executives are entitled to health and life insurance, reimbursement of telephone expenses and use of a company car.

Remuneration payable to senior management during the financial year ended 31 December 2023, which comprises mainly fixed remuneration as per contractual arrangements, is not being disclosed as the information is deemed to be of a commercially sensitive nature taking into account the fact that the senior management team is composed of two individuals.

This Directors' Remuneration Report, drawn up in accordance with the Capital Markets Rules, is being put forward for a discussion at the Annual General Meeting of the Company to be held in 2024.

The contents of this Remuneration Report have been reviewed by the external auditor to ensure that the information required in terms of Appendix 12.1 of the Capital Markets Rules has been included.

# Statement of financial position

	NOTES	As at 31 December	
		2023	2022
		€	€
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	80,049,170	80,993,856
Right-of-use assets	5	4,682,514	3,890,121
Total non-current assets		84,731,684	84,883,977
<b>Current assets</b>			
Trade and other receivables	6	4,207,221	3,600,716
Cash and cash equivalents	7	3,057,611	3,074,724
Total current assets		7,264,832	6,675,440
<b>Total assets</b>		<b>91,996,516</b>	91,559,417
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	8	27,766,888	27,766,888
Revaluation reserve	9	18,780,831	19,028,037
Retained earnings		14,883,751	12,224,913
<b>Total equity</b>		<b>61,431,470</b>	59,019,838
<b>Non-current liabilities</b>			
Trade and other payables	10	612,849	667,367
Borrowings	11	5,541,192	7,041,192
Lease liabilities	12	4,335,863	4,225,088
Deferred tax liabilities	13	12,739,000	13,004,267
Total non-current liabilities		23,228,904	24,937,914
<b>Current liabilities</b>			
Trade and other payables	10	4,444,345	4,327,710
Borrowings	11	1,500,000	1,944,037
Lease liabilities	12	89,865	88,803
Current tax liabilities		1,301,932	1,241,115
Total current liabilities		7,336,142	7,601,665
Total liabilities		30,565,046	32,539,579
<b>Total equity and liabilities</b>		<b>91,996,516</b>	91,559,417

The accompanying notes are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 22 April 2024. The financial statements were signed on behalf of the Board of Directors by Joseph Zammit Tabona (Chairman) and Etienne Sciberras (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

# Income statement

	NOTES	Year ended 31 December	
		2023	2022
		€	€
Revenue	14	<b>8,516,318</b>	8,169,198
Cost of sales	15	<b>(2,389,833)</b>	(2,337,748)
<b>Gross profit</b>		<b>6,126,485</b>	5,831,450
Administrative and other expenses	15	<b>(754,525)</b>	(582,097)
<b>Operating profit</b>		<b>5,371,960</b>	5,249,353
Finance income	17	<b>7,156</b>	2,165
Finance costs	18	<b>(410,992)</b>	(474,686)
<b>Profit before tax</b>		<b>4,968,124</b>	4,776,832
Tax expense	19	<b>(1,026,492)</b>	(1,011,686)
<b>Profit for the year</b>		<b>3,941,632</b>	3,765,146
<b>Earnings per share (euro cents)</b>	21	<b>6.99</b>	6.68

The accompanying notes are an integral part of these financial statements.

# Statement of changes in equity

	NOTE	SHARE CAPITAL	REVALUATION RESERVE	RETAINED EARNINGS	TOTAL
		€	€	€	€
Balance at 1 January 2022		27,766,888	19,275,233	9,712,571	56,754,692
<b>Comprehensive income</b>					
Profit for the year		-	-	3,765,146	3,765,146
<b>Total comprehensive income</b>		-	-	<b>3,765,146</b>	<b>3,765,146</b>
<b>Transactions with owners</b>					
Dividends paid to shareholders	25	-	-	(1,500,000)	(1,500,000)
<b>Total transactions with owners</b>		-	-	<b>(1,500,000)</b>	<b>(1,500,000)</b>
<b>Other movements</b>					
Reclassification from revaluation reserve to retained earnings	9	-	(247,196)	247,196	-
		-	<b>(247,196)</b>	<b>247,196</b>	-
<b>Balance as at 31 December 2022</b>		<b>27,766,888</b>	<b>19,028,037</b>	<b>12,224,913</b>	<b>59,019,838</b>
Balance at 1 January 2023		27,766,888	19,028,037	12,224,913	59,019,838
<b>Comprehensive income</b>					
Profit for the year		-	-	3,941,632	3,941,632
<b>Total comprehensive income</b>		-	-	<b>3,941,632</b>	<b>3,941,632</b>
<b>Transactions with owners</b>					
Dividends paid to shareholders	25	-	-	(1,530,000)	(1,530,000)
<b>Total transactions with owners</b>		-	-	<b>(1,530,000)</b>	<b>(1,530,000)</b>
<b>Other movements</b>					
Reclassification from revaluation reserve to retained earnings	9	-	(247,206)	247,206	-
		-	<b>(247,206)</b>	<b>247,206</b>	-
<b>Balance as at 31 December 2023</b>		<b>27,766,888</b>	<b>18,780,831</b>	<b>14,883,751</b>	<b>61,431,470</b>

The accompanying notes are an integral part of these financial statements.

# Statement of cash flows

	NOTES	Year ended 31 December	
		2023	2022
		€	€
<b>Cash flows from operating activities</b>			
Cash generated from operations	22	<b>6,954,572</b>	7,459,942
Interest paid		<b>(261,609)</b>	(328,065)
Interest received		<b>7,156</b>	2,165
Tax paid		<b>(1,230,942)</b>	(878,494)
Net cash generated from operations		<b>5,469,177</b>	6,255,548
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	<b>(1,128,412)</b>	(1,605,571)
Additions to right-of-use assets	5	<b>(794,849)</b>	-
Net cash used in investing activities		<b>(1,923,261)</b>	(1,605,571)
<b>Cash flows from financing activities</b>			
Dividends paid	25	<b>(1,530,000)</b>	(1,500,000)
Repayment of bank borrowings	11	<b>(1,944,037)</b>	(2,813,099)
Principal element of lease payments	12	<b>(88,992)</b>	(88,803)
Net cash used in financing activities		<b>(3,563,029)</b>	(4,401,902)
<b>Net movement in cash and cash equivalents</b>		<b>(17,113)</b>	248,075
<b>Cash and cash equivalents at beginning of year</b>		<b>3,074,724</b>	2,826,649
<b>Cash and cash equivalents at end of year</b>	7	<b>3,057,611</b>	3,074,724

The accompanying notes are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 1.1 BASIS OF PREPARATION

Tigné Mall p.l.c. is a public limited liability company with its principal activity being to own and manage 'The Point Shopping Mall'.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and with the requirements of the Maltese Companies Act (Cap. 386). They have been prepared under the historical cost convention, as modified by the fair valuation of the land and buildings class of property, plant and equipment.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies (see Note 3 - Critical accounting estimates and judgements).

#### *Appropriateness of the application of the going concern assumption in the preparation of the financial statements*

As at 31 December 2023, the Company's current liabilities exceeded its current assets by €0.07 million million (2022: €0.9 million). The Company has continued to manage this position during the course of the current financial year through a programme of active liquidity management. In this context, the Company expects to continue generating significant net cash inflows from its operations such that it will be in a position to steadily meet its operational current liabilities on an ongoing basis.

The Company's senior management team has compiled financial projections for the year ending 31 December 2024 taking into account the macroeconomic and geopolitical factors that are expected to prevail during the forthcoming financial year, which factors were deemed to have insignificant effects on the financial projections. The projections comprise historical financial information up to the date of authorisation for issue of these financial statements and forecast financial information for the residual period. Based on the outcome of the cash flow projections as referred to above, the Directors and senior management consider the going concern assumption in the preparation of the Company's financial statements as appropriate as at the date of authorisation for issue of the 2023 financial statements. They also believe that no material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern exists as at that date.

#### *Standards, interpretations and amendments to published standards effective in 2023*

In 2023, the Company adopted amendments to existing standards that are mandatory for the Company's accounting period beginning on 1 January 2023. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies impacting the Company's financial performance and position.

The following amendments became applicable for the current reporting period.

#### ***Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies***

The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The term 'significant' was replaced with 'material' in the context of disclosing accounting policy information. In assessing the materiality of the accounting policy information, the Company considers the size of transactions, other events or conditions and their nature.

#### *Standards, interpretations and amendments to published standards that are not yet effective*

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Company's accounting periods beginning after 1 January 2023. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Directors are of the opinion that there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

## 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

### 1.2 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in euro, which is the Company's functional and presentation currency.

### 1.3 PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment is initially recorded at historical cost. Land and buildings, comprising mainly 'The Point Shopping Mall', are shown at fair value less subsequent depreciation. The fair value of 'The Point Shopping Mall' is based on the discounted cash flow valuation model. Valuations are carried out on a regular basis such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete, and is suspended if the development of the asset is suspended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged to other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Land and buildings are depreciated over the remaining term of the emphyteusis. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Land and buildings	1
Electrical and plumbing installation	3 - 8
Plant, machinery and operational equipment	3 - 15
Fixtures and fittings	10 - 20
Office and computer equipment	20 - 33.33

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each 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 (Note 1.4). Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with carrying amount and are recognised in profit or loss. When the revalued assets are sold, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.



## 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

### 1.4 FINANCIAL ASSETS

#### 1.4.1 CLASSIFICATION

The Company classifies its financial assets as measured at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The Company's financial assets comprise of trade and other receivables (Note 1.5) and cash and cash equivalents in the statement of financial position. These financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows ('Hold to Collect') and the contractual terms of the financial assets give rise to cash flows that are SPPI, and accordingly subsequent to initial recognition are measured at amortised cost. These assets are included in current assets, except for maturities greater than twelve months after the end of the reporting period which are classified as non-current assets.

#### 1.4.2 RECOGNITION AND MEASUREMENT

The Company recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership or has not retained control of the asset.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to initial recognition, financial assets are measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows ('Hold to Collect') and the contractual terms of the financial asset give rise to cash flows that are SPPI. The amortised cost is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, and adjusted for any credit loss allowance.

#### 1.4.3 IMPAIRMENT

The Company has two types of financial assets that are subject to the expected credit loss model:

- trade receivables in respect of lease income; and
- cash and cash equivalents.

IFRS 9 requires the measurement of credit loss allowances on financial instruments using the expected credit loss ("ECL") impairment model utilising a forward-looking approach that emphasises shifts in the credit risk attached to a financial instrument, and consequently the probability of future credit losses, even if no loss events have yet occurred. IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition. The key driver of the measurement of ECLs therefore relates to the level of credit risk for each exposure and, as a result, an assessment of the change in credit risk over the expected life of an asset is a core element in determining the staging criteria under IFRS 9. The three stages under IFRS 9 are as follows:

Stage 1 - Financial instruments that have not had a significant increase in credit risk (SICR) since initial recognition, or that have "low credit risk" at the reporting date are classified in Stage 1. 12-month ECLs are recorded to measure the expected losses that result from default events that are possible within 12 months after the reporting date;

Stage 2 - Financial instruments that have experienced a SICR since initial recognition are classified in Stage 2. Lifetime ECLs are recorded to measure the expected losses that result from all possible default events over the expected life of the financial instrument; and

Stage 3 - Financial instruments that demonstrate objective evidence of impairment, and which are considered to be in default or credit-impaired, are classified in Stage 3, also requiring the measurement of lifetime ECLs.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables which uses a lifetime expected loss allowance for all receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles and historical credit losses of the Company.

## 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

### 1.4 FINANCIAL ASSETS - CONTINUED

#### 1.4.3 IMPAIRMENT - CONTINUED

The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

### 1.5 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value.

The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Details about the Company's impairment policies and the calculation of the loss allowance are provided in note 1.4.3.

### 1.6 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### 1.7 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

### 1.8 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

### 1.9 DEFERRED GOVERNMENT GRANTS

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants related to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grants related to assets, i.e. in respect of the purchase of property, plant and equipment, are included in liabilities as deferred government grants, and are credited to profit or loss on a straight line basis over the expected lives of the related assets, presented within 'Other operating income'.

Grants related to income are presented as a deduction in reporting the related expense.

## 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

### 1.10 CURRENT AND DEFERRED TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 1.11 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is shown net of sales taxes, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met.

Revenue from services is generally recognised in the period during which the services are provided, based on the services performed to date as a percentage of the total services to be performed. Accordingly, revenue is recognised by reference to the stage of completion of the transaction under the percentage of completion method.

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

### 1.12 LEASES

#### 1.12.1 COMPANY IS THE LESSEE

IFRS 16 requires an entity to assess whether a contract is, or contains, a lease at the inception date. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. Leases are recognised as a right-of-use asset and a corresponding liability at the commencement date, being the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company using residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for lessees, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

## 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

### 1.12 LEASES - CONTINUED

#### 1.12.1 COMPANY IS THE LESSEE - CONTINUED

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are initially measured at 'cost' which, where applicable, comprises the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets linked to owner occupied property are subsequently measured at cost, less accumulated depreciation and any accumulated impairment losses. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### 1.12.2 COMPANY IS THE LESSOR

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

### 1.13 DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

## 2. FINANCIAL RISK MANAGEMENT

### 2.1 FINANCIAL RISK FACTORS

The Company's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company's board of Directors provides principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The Company did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

(a) *Market risk*

(i) Foreign exchange risk

The Company's revenues and operating expenditure together with its financial assets and liabilities, including financing, are predominantly denominated in euro. Accordingly, the Company is not significantly exposed to foreign exchange risk. A sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

## 2. FINANCIAL RISK MANAGEMENT - CONTINUED

### 2.1 FINANCIAL RISK FACTORS - CONTINUED

#### (ii) Cash flow and fair value interest rate risk

The Company's significant instruments which are subject to fixed interest rates comprise bank borrowings and deposits effected under operating lease arrangements. In this respect, the Company is potentially exposed to fair value interest rate risk in view of the fixed interest nature of these instruments, which are however measured at amortised cost and therefore any changes in interest rates will not have an effect on profit or loss and equity. The Company is not exposed to cash flow interest rate risk. The Company's operating cash flows are substantially independent of changes in market interest rates.

#### (b) Credit risk

Credit risk arises from cash and cash equivalents (Note 7) and trade receivables (Note 6), which constitute the Company's financial assets that are subject to the expected credit loss model. The Company's exposures to credit risk are analysed in the respective notes to the financial statements. The maximum exposure to credit risk at the end of the reporting period in respect of these financial assets is equivalent to their carrying amount. Except for the security deposits effected by tenants, the Company does not hold any collateral as security in this respect.

The Company banks only with local financial institutions with high quality standard or rating. The Company invoices its customers quarterly in advance and assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has policies in place to ensure that sales of services are effected to customers with an appropriate credit history. The Company monitors the performance of its receivables on a regular basis to identify expected and incurred collection losses, which are inherent in the Company's receivables, taking into account historical experience in collection of accounts receivable. Management does not expect any material losses from non-performance by its debtors except as outlined below.

The expected credit loss rates are based on the payment profiles of sales over the historical period available to the Company. Management also considers any adjustment to the historical loss rates to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

As of 31 December 2023, the amount of billed rental and service charges due from tenants in respect of the previous twelve months was insignificant and accordingly no trade receivables were deemed to be long outstanding or credit impaired. The balance due as at the end of year principally represented billing in advance in respect of 2024 which was recovered by the time of issuance of these financial statements. Accordingly, the credit loss allowances in respect of trade receivables are insignificant.

As at the end of the reporting period, the Company had past due, but not credit impaired, receivables amounting to €177,422 (2022: €400,040). The Company manages credit exposures actively in a practicable manner such that past due amounts receivable from customers are within controlled parameters. The Company's trade receivables, which are not credit impaired financial assets, are principally debts in respect of transactions with customers for whom there is no recent history of default. Management does not expect any material losses from non-performance by these customers.

As outlined previously, the Company holds security deposits (Note 10) effected under operating lease arrangements by a number of tenants, which contain the potential expected credit losses on billing in advance.

In view of the nature of the Company's activities, which constitute the operation of a shopping mall, a limited number of customers constitute a major portion of the entity's trade receivables (refer to Note 14). However, this does not give rise to heightened concentration risk in management's view.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified expected credit loss was insignificant.

#### (c) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise interest-bearing borrowings (Note 11), lease liabilities (Note 12) and trade and other payables (Note 10). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Company's obligations.

Management monitors liquidity risk by means of cash flow forecasts on the basis of expected cash flows from operation of 'The Point Shopping Mall'. This includes reviewing the matching or otherwise of expected cash inflows and outflows arising from expected maturities of financial instruments. On the basis of the forecasts, management ensures that no additional financing facilities are expected to be required. As at 31 December 2022 and 2023, the Company had an unutilised banking facility for the amount of €500,000.

## 2. FINANCIAL RISK MANAGEMENT - CONTINUED

### 2.1 FINANCIAL RISK FACTORS - CONTINUED

As at 31 December 2023, the Company's current liabilities exceeded its current assets by €0.07 million (2022: €0.9 million). The Company has continued to manage this position during the course of the current financial year through a programme of active liquidity management. The directors had anticipated that this working capital shortfall position would continue to be managed in the immediate future, on the basis of projections which had been prepared by management evidencing the profitable rental income streams which were expected to flow to the Company in business as usual circumstances. The Company's senior management team compiled detailed financial projections for the year ending 31 December 2024. These comprise historical financial information up to the date of authorisation for issue of these financial statements and forecast financial information for the residual period.

The Company's trade and other payables with the exception of specific liabilities (refer to Note 10) are entirely repayable within one year from the end of the reporting period. The following table analyses the Company's borrowings, lease liabilities and deposits effected under lease arrangements classified as other payables into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	CARRYING AMOUNT	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL CONTRACTUAL CASH FLOWS
	€	€	€	€	€	€
<b>31 December 2023</b>						
Borrowings	7,041,192	1,689,923	1,643,732	4,193,843	-	7,527,498
Lease liabilities	4,425,728	242,835	310,263	926,632	20,107,074	21,586,804
Other payables	612,849	98,056	134,647	403,941	49,746	686,390
	<b>12,079,769</b>	<b>2,030,814</b>	<b>2,088,642</b>	<b>5,524,416</b>	<b>20,156,820</b>	<b>29,800,692</b>

	CARRYING AMOUNT	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL CONTRACTUAL CASH FLOWS
	€	€	€	€	€	€
<b>31 December 2022</b>						
Borrowings	8,985,229	2,182,027	1,689,923	5,192,238	645,337	9,709,525
Lease liabilities	4,313,891	237,453	239,963	919,330	20,175,104	21,571,850
Other payables	667,367	109,773	146,364	439,092	54,280	749,509
	<b>13,966,487</b>	<b>2,529,253</b>	<b>2,076,250</b>	<b>6,550,660</b>	<b>20,874,721</b>	<b>32,030,884</b>

### 2.2 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of dividends paid to shareholders.

The Company's equity, as disclosed in the statement of financial position, constitutes its capital. The Company maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. The adequacy of the Company's capital level as at the end of the reporting period is reviewed in the context of the nature of the Company's activities and the extent of borrowings or debt. The aggregate of the Company's bank borrowings, net of cash and cash equivalents, and lease liabilities represents 11.5% of the Company's equity as at 31 December 2023 (2022: 15.2%).

## 2. FINANCIAL RISK MANAGEMENT - CONTINUED

### 2.3 FAIR VALUES OF FINANCIAL INSTRUMENTS

The Company is required to disclose fair value measurements and disclosures by level of a fair value measurement hierarchy for financial instruments (Level 1, 2 or 3). The different levels of the fair value hierarchy are defined as fair values using:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly i.e. as prices, or indirectly i.e. derived from prices (Level 2).
- Inputs for the asset or liability that are not based on observable market data i.e. unobservable inputs (Level 3).

At 31 December 2023 and 2022 the carrying amount of financial instruments, comprising cash at bank, receivables, payables, accrued expenses, short-term borrowings and other short-term liabilities, is equivalent to their fair values in view of the nature of the instruments or their short-term maturity. The fair value of the non-current financial liabilities, comprising borrowings, for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments. The estimated fair value of the Company's bank borrowings (Note 11) as at the end of the reporting period is not materially different from the carrying amounts. The current market interest rates utilised for discounting purposes, which were almost equivalent to the respective instruments' contractual interest rates, are deemed observable and accordingly these fair value estimates have been categorised as Level 2.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

As referred to in Note 4 to the financial statements, the Company's land and buildings category of property, plant and equipment is fair valued on the basis of professional advice, which considers the cash flows emanating from the operation of the property and other key inputs, namely the discount and growth rates.

#### 4. PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS	PLANT AND OTHER INTEGRAL ASSETS	OFFICE EQUIPMENT, FURNITURE AND FITTINGS	TOTAL
	€	€	€	€
<b>At 1 January 2022</b>				
Cost or valuation	71,838,922	16,734,334	2,028,551	90,601,807
Accumulated depreciation	-	(8,197,023)	(1,004,784)	(9,201,807)
Net book amount	<b>71,838,922</b>	<b>8,537,311</b>	<b>1,023,767</b>	<b>81,400,000</b>
<b>Year ended 31 December 2022</b>				
Opening net book amount	71,838,922	8,537,311	1,023,767	81,400,000
Additions	1,385,417	213,532	6,622	1,605,571
Depreciation charge	(1,134,471)	(762,628)	(114,616)	(2,011,715)
Closing net book amount	<b>72,089,868</b>	<b>7,988,215</b>	<b>915,773</b>	<b>80,993,856</b>
<b>At 31 December 2022</b>				
Cost or valuation	73,224,339	16,947,866	2,035,173	92,207,378
Accumulated depreciation	(1,134,471)	(8,959,651)	(1,119,400)	(11,213,522)
Net book amount	<b>72,089,868</b>	<b>7,988,215</b>	<b>915,773</b>	<b>80,993,856</b>
<b>Year ended 31 December 2023</b>				
Opening net book amount	72,089,868	7,988,215	915,773	80,993,856
Additions	828,441	285,374	14,597	1,128,412
Depreciation charge	(1,893,275)	(63,890)	(115,933)	(2,073,098)
Closing net book amount	<b>71,025,034</b>	<b>8,209,699</b>	<b>814,437</b>	<b>80,049,170</b>
<b>At 31 December 2023</b>				
Cost or valuation	74,052,780	17,233,240	2,049,770	93,335,790
Accumulated depreciation	(3,027,746)	(9,023,541)	(1,235,333)	(13,286,620)
Net book amount	<b>71,025,034</b>	<b>8,206,699</b>	<b>814,437</b>	<b>80,049,170</b>

The Company operates The Point Shopping Mall, a fully serviced shopping mall, which activity extends beyond the mere leasing out of retail space. The extent of the services provided is deemed to be significant to the arrangement with the tenants as a whole. Accordingly, the shopping mall is treated as property, plant and equipment under the requirements of IAS 16 rather than investment property under IAS 40.

MIDI p.l.c. had granted the Property to the Company by title of temporary sub-emphyteusis in October 2010, commencing from the date of the grant, for the remaining period out of the original period of 99 years which commenced from 15 June 2000. The annual sub-ground rent consists of a proportionate part of the original annual ground rent together with an increase of ground rent payable to MIDI p.l.c. The increase of ground rent payable to MIDI p.l.c. is a nominal amount. The proportionate part pertaining to the Property out of the original annual ground rent imposed on all of the land granted by the Emphyteutical Deed is currently €76,000. This original ground rent will increase in accordance with the terms of the Emphyteutical Deed on 1 April 2025 and on 1 April 2050. As security for the payment of the sub-ground rent and its proportionate share of the original ground rent, the Company granted to MIDI p.l.c. a general hypothec on all its property present and future in general and a special privilege on the Property.

Bank borrowings are secured on the Company's property, plant and equipment (Note 11).



## 4. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

### *Fair value of land and buildings*

The Company's property (land and buildings comprising The Point Shopping Mall) was last revalued by independent, professionally qualified valuers on 31 December 2021. This valuation had been carried out by Archi+ (a firm of architects). The book value of the property had been adjusted to the revalued amount and the resultant revaluation surplus, net of applicable deferred taxes, had been credited to the revaluation reserve in shareholders' equity. The Directors have reviewed the carrying amount of the property as at 31 December 2023 on the basis of management's assessment as further explained in the Note below under Valuation processes. No adjustments to the carrying amount were deemed necessary as at that date as the estimated fair value was considered to approximate the carrying amount.

The Company is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which the recurring fair value measurements are categorised in their entirety (Level 1, 2 or 3). The different levels of the fair value hierarchy have been defined as fair value measurements using:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset that are not based on observable market data (that is, unobservable inputs) (Level 3).

The recurring property fair value measurement, in relation to The Point Shopping Mall, uses significant unobservable inputs and is accordingly categorised within Level 3 of the fair valuation hierarchy.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the years ended 31 December 2023 and 2022.

A reconciliation of the opening balance to the closing balance of non-financial assets for recurring fair value measurements categorised within Level 3 of the fair value hierarchy is reflected in the table above. The only movements reflect additions and depreciation charges for the years ended 31 December 2023 and 2022.

### *Valuation processes*

The valuation of the property is performed regularly by external independent, qualified valuers on the basis of a model using discounted cash flows. The valuation model, the underlying inputs and the assumptions are reviewed by the CEO (Chief Executive Officer) and the Financial Controller. When the CEO and the Financial Controller consider that the valuation model, inputs to the model and valuation assumptions are appropriate, the valuation is recommended to the audit committee. The audit committee considers the valuation as part of its overall responsibilities.

At the end of every reporting period, the CEO and the Financial Controller assess whether any significant changes in actual circumstances, projected and registered income streams, financial results and other factors have been experienced since the last external valuation. The CEO and the Financial Controller report to the audit committee on the outcome of this assessment.

As highlighted previously, the Company's property (land and buildings comprising The Point Shopping Mall) was last revalued by independent, professionally qualified valuers on 31 December 2021. The valuation of the Point Shopping Mall was updated to reflect the actual and projected earnings emanating from the operation of The Point Shopping Mall, by reassessing future cash flows in order to reflect the current operating results and future projections, taking account of the current tenant rental schedules. Discount rate assumptions had also been updated, primarily to reflect movements in current market conditions and yields. Subsequent to this revaluation, The Point Shopping Mall, which is accounted for as property, plant and equipment in the statement of financial position, was carried at €81.4 million as at 31 December 2021. The resultant revaluation surplus amounted to €5.4 million, net of applicable deferred taxes.

As at 31 December 2023, management has updated the valuation model utilised for the purposes of the last external valuation, by reassessing the projected future free cash flows and the assumptions in respect of the growth rate and the discount rate. The carrying amount of the property as at 31 December 2023 approximated the estimated fair value emanating from management's assessment and accordingly no adjustments to the carrying value were deemed necessary.

## 4. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

### Valuation techniques

The Level 3 fair valuation of The Point Shopping Mall was determined using discounted cash flow ("DCF") projections based on significant unobservable inputs. These inputs include:

Free cash flows after tax	based on contracted and projected rental income streams covering the remaining term of the sub-emphyteusis less operating expenditure necessary to manage the shopping mall, comprising mainly marketing, maintenance and similar expenses but prior to depreciation and financing charges;
Growth rate	based on management's estimated average growth of the Company's earnings levels over the remaining term of the sub-emphyteusis, mainly determined by contractual and projected growth in rental income streams;
Discount rate	reflecting the current market assessment of the uncertainty in the amount and timing of projected cash flows. The discount rate reflects the estimated weighted average cost of capital that would be available to a REO for financing such an operation. The discount rate is based on an assumed debt to equity ratio; estimation of cost of equity is based on risk free interest rates adjusted for country risk and equity risk premium adjusted for entity-specific risk factor; estimation of cost of debt is based on risk free interest rates adjusted for country risk and assumed credit spread.

### Information about fair value measurements using significant unobservable inputs (level 3)

The significant unobservable inputs applied in the property valuation are the following:

- Projected future free cash flows which average out at €7.7 million per annum over the next three financial years;
- Growth rate at an approximate average of 3.1% reflecting principally the estimated projected growth of the Company's rental income streams;
- A discount rate of 9.2% applied in estimating the net present value of the projected future free cash flows.

An increase in the projected levels of free cash flows after tax and in the growth rate would result in an increased fair value of the property, whereas a higher discount rate would give rise to a lower fair value.

### Historical cost of land and buildings

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2023	2022
	€	€
Cost	<b>50,346,426</b>	49,517,985
Accumulated depreciation	<b>(11,540,061)</b>	(9,646,786)
Net book amount	<b>38,806,365</b>	39,871,199

## 5. RIGHT-OF-USE ASSETS

As explained in note 4, MIDI p.l.c. had granted the Property to the Company by title of temporary sub-emphyteusis. The annual sub-ground rent consists principally of a proportionate part of the original annual ground rent, which has been determined to fall within the scope of IFRS 16. Ground rent is also payable on the same basis on the car parking spaces acquired by the Company during 2018.

	<b>PROPERTY</b>
	€
<b>At 1 January 2022</b>	
Cost	4,093,264
Accumulated depreciation	(152,392)
Net book amount	<b>3,940,872</b>
<b>Year ended 31 December 2022</b>	
Opening net book amount	3,940,872
Depreciation charge	(50,751)
Closing net book amount	<b>3,890,121</b>
<b>At 31 December 2022</b>	
Cost	4,093,264
Accumulated depreciation	(203,143)
Net book amount	<b>3,890,121</b>
<b>Year ended 31 December 2023</b>	
Opening net book amount	3,890,121
Additions	846,295
Depreciation charge	(53,902)
Closing net book amount	<b>4,682,514</b>
<b>At 31 December 2023</b>	
Cost	4,939,559
Accumulated depreciation	(257,045)
Net book amount	<b>4,682,514</b>

The additions referred to in the above table, consist of the effects of a property lease agreement entered into with MIDI p.l.c. in October 2023, being a grant by title of temporary sub-emphyteusis with annual payments of sub-ground rent, commencing from the date of the grant, for the remaining period out of the original period of 99 years which period commenced from 15 June 2000. The upfront one time premium of €750,000 in respect of this agreement has been treated as initial direct costs within additions to the right-of-use assets.

### **Extension and termination options**

Extension and termination options are included in the temporary emphyteusis agreement with the Government of Malta, relating to The Point Shopping Mall. The extension and termination options held are exercisable only by the respective lessor and not by the Company.

## 6. TRADE AND OTHER RECEIVABLES

	2023	2022
	€	€
<b>Current</b>		
Trade receivables - net of expected credit loss provisions	163,374	400,040
Trade receivables in respect of billing in advance	2,312,817	1,940,991
Other assets, prepayments and accrued income	1,731,030	1,259,685
	<b>4,207,221</b>	3,600,716

## 7. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2023	2022
	€	€
Cash at bank and in hand	3,057,611	3,074,724

## 8. SHARE CAPITAL

	2023	2022
	€	€
<b>Authorised</b>		
60,000,000 ordinary shares of €0.50 each	30,000,000	30,000,000
<b>Issued</b>		
56,400,000 ordinary shares of €0.50 each, fully paid up (net of share issue costs)	27,766,888	27,766,888

The amount presented in the statement of financial position in relation to issued share capital is net of share issue expenses amounting to €433,112.

In accordance with the Company's Memorandum and Articles of Association, each ordinary share gives the right to one vote, participates equally in profits distributed by the Company and carries equal rights.

## 9. REVALUATION RESERVE

	2023	2022
	€	€
<b>Revaluation of land and buildings</b>		
At beginning of year	19,028,037	19,275,233
Transfer to retained earnings	(247,206)	(247,196)
At end of year	<b>18,780,831</b>	19,028,037

The revaluation reserve is non-distributable.

## 10. TRADE AND OTHER PAYABLES

	2023	2022
	€	€
<b>Current</b>		
Trade payables	134,058	264,411
Other payables	326,264	304,444
Indirect taxation	691,871	678,936
Deferred income in respect of billing in advance	2,695,427	2,593,625
Accruals and other deferred income	596,725	486,294
	<b>4,444,345</b>	4,327,710
<b>Non-current</b>		
Other payables	612,849	667,367

Non-current other payables represent deposits effected under operating lease arrangements by a number of tenants at 'The Point Shopping Mall'. These amounts are refundable at the end of the lease term and are subject to interest not exceeding 3% per annum.

## 11. BORROWINGS

	2023	2022
	€	€
<b>Year ended 31 December</b>		
At beginning of year	8,985,229	11,798,328
Repayments	(1,944,037)	(2,813,099)
At end of year	<b>7,041,192</b>	8,985,229
<b>Current</b>		
Bank loans	1,500,000	1,944,037
<b>Non-current</b>		
Bank loans	5,541,192	7,041,192
<b>Total borrowings</b>	<b>7,041,192</b>	8,985,229

Bank borrowings are secured by a general hypothec on the Company's assets and by a special hypothec over the title of temporary emphyteusis granted by the Government of Malta, expiring in 2099. This temporary emphyteusis commenced on 15 June 2000 over the parcel of land at Tigné Point developed into the shopping mall (T2). Moreover, the bank borrowings are secured by a pledge on the comprehensive insurance policy covering The Point shopping mall, which secures the loans to the extent of those risks covered in the policy.

## 11. BORROWINGS - CONTINUED

The weighted effective interest rates as at the end of the reporting period are as follows:

	2023	2022
Bank loans	3.0%	3.0%

	2023	2022
	€	€
<b>Maturity of bank borrowings:</b>		
Within one year	1,500,000	1,944,037
Between one and two years	1,500,000	1,500,000
Between two and five years	4,041,192	4,909,840
Over five years	-	631,352
	<b>7,041,192</b>	<b>8,985,229</b>

At 31 December 2023 and 2022, the Company also had an unutilised overdraft facility amounting to €500,000.

## 12. LEASE LIABILITIES

The lease liabilities associated with the recognised right-of-use assets are analysed below:

	2023	2022
	€	€
<b>Non-current</b>		
Property	4,335,863	4,225,088
<b>Current</b>		
Property	89,865	88,803
Total lease liabilities	<b>4,425,728</b>	<b>4,313,891</b>

The movement in the carrying amount of these liabilities is analysed in the following table:

	2023	2022
	€	€
As at beginning of year	4,313,891	4,256,073
Additions (Note 5)	51,446	-
Payments	(88,992)	(88,803)
Interest charge (Note 18)	149,383	146,621
As at end of year	<b>4,425,728</b>	<b>4,313,891</b>

The interest charge reflected in the table above is recognised in profit or loss. The depreciation charge in respect of the related right-of-use assets (Note 5) is also recognised in profit or loss. Amounts recognised in profit or loss in respect of short-term lease arrangements are disclosed in note 15 to the financial statements.

The contractual undiscounted cash flows attributable to lease liabilities as at 31 December 2023 are analysed in Note 2.1 c.

### 13. DEFERRED TAXATION

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35% (2022: 35%). The movement on the deferred income tax account is analysed as follows:

	2023	2022
	€	€
At beginning of year	<b>13,004,267</b>	13,216,202
Credited to profit or loss:		
- differences between depreciation and capital allowances on property, plant and equipment (Note 19)	<b>(119,711)</b>	(152,034)
- differences arising on fair valuation of property	<b>(133,105)</b>	(59,901)
- other items	<b>(12,451)</b>	-
At end of year	<b>12,739,000</b>	13,004,267

The deferred tax liability as at 31 December represents:

	2023	2022
	€	€
Temporary differences arising on fair valuation of property	<b>11,213,930</b>	11,347,035
Temporary differences arising between tax base and carrying amount of property, plant and equipment	<b>1,525,070</b>	1,657,232
	<b>12,739,000</b>	13,004,267

The recognised deferred tax liabilities are expected to be settled principally after more than twelve months from the end of the reporting period.

### 14. REVENUE

The Company's revenue was principally derived from operating lease rental income attributable to retail outlets in 'The Point Shopping Mall' together with the provision of related services, which operation constitutes the sole operating segment of the Company. Revenues from transactions with three customers amounting to €1,469,421, €1,146,065, and €1,053,750 (2022: €1,424,704, €996,387 and €999,170 ) respectively, each represent more than 10% of the Company's revenues. Variable rents linked to tenant sales performance recognised in profit or loss during the current financial year amounted to €661,167 (2022: €510,018). Revenue from the car park operation during 2023 amounted to €404,686 (2022: €414,483).

## 15. EXPENSES BY NATURE

	2023	2022
	€	€
Employee benefit expense (Note 16)	144,527	108,303
Directors' fees (Note 20)	108,425	87,453
Depreciation of property, plant and equipment (Note 4)	2,073,098	2,011,715
Depreciation of right-of-use assets (Note 5)	53,902	50,751
Advertising and business promotion expenses	150,000	90,357
Car park management fees	169,932	165,857
Service charge expenditure – shortfall	92,902	109,424
Other expenses	351,572	295,985
<b>Total cost of sales and administrative and other expenses</b>	<b>3,144,358</b>	<b>2,919,845</b>

Motor vehicle operating lease charges and similar expenses, prior to amounts recharged to tenants as service charges, recognised in profit and loss during the current financial year amounted to €19,140 (2022: €23,546). The lease agreements in place for motor vehicles are deemed to be short-term arrangements for the purposes of IFRS 16.

### Auditor's fees

Fees charged by the audit firm for services rendered during the financial years ended 31 December 2023 and 2022 relate to the following:

	2023	2022
	€	€
Annual statutory audit	37,000	37,000
Tax compliance and advisory services	-	2,870
	<b>37,000</b>	<b>39,870</b>

Tax compliance and advisory services amounting to €3,170 (2022: €nil) and other non-assurance services amounting to €10,000 (2022: €9,500) have been charged to the Company by connected undertakings of the audit firm.

## 16. EMPLOYEE BENEFIT EXPENSE

	2023	2022
	€	€
Wages and salaries	440,008	331,093
Social security costs	17,205	14,707
	<b>457,213</b>	<b>345,800</b>
Less amounts recharged to tenants as service charges	<b>(312,686)</b>	<b>(237,497)</b>
	<b>144,527</b>	<b>108,303</b>



## 16. EMPLOYEE BENEFIT EXPENSE - CONTINUED

Average number of persons employed by the Company during the year:

	2023	2022
Operational	1	1
Administration	7	5
	8	6

Wages and salaries within the table above are presented net of grants received from the Government of Malta under the COVID-19 Wage Supplement Scheme amounting to €4,198 during the preceding financial year. Grants related to income are presented as a deduction in reporting the related expense which the grant is intended to compensate for.

## 17. FINANCE INCOME

	2023	2022
	€	€
Interest receivable	7,156	2,165

## 18. FINANCE COSTS

	2023	2022
	€	€
Bank interest payable	238,173	296,608
Interest on tenant deposits	20,668	12,408
Interest expense on lease liability (Note 12)	149,383	146,621
Other charges	2,768	19,049
	410,992	474,686

## 19. TAX EXPENSE

	2023	2022
	€	€
Current tax expense	1,291,759	1,223,621
Deferred tax credit (Note 13)	(265,267)	(211,935)
	1,026,492	1,011,686

## 19. TAX EXPENSE - CONTINUED

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate applicable as follows:

	2023	2022
	€	€
Profit before tax	4,968,124	4,776,832
Tax on profit at 35%	1,738,843	1,671,891
Tax effect of:		
Expenses not deductible for tax purposes	882,868	898,817
Application of tax rules for the leasing of commercial tenements (see Note below)	(1,605,184)	(1,534,419)
Income not subject to tax	-	(17,089)
Other differences	9,965	(7,514)
Tax expense	1,026,492	1,011,686

Through the Budget Measures Implementation Act, 2016 (ACT No. XV of 2016), landlords were granted the option of being taxed on rental income, derived from the leasing of any tenement including commercial outlets and clubs, at a final withholding tax rate of 15% on the gross rental income. The substance of the legislation is that although the Company continues to be subject to income tax at the corporate tax rate of 35%, the effective tax rate in any given year is reduced to a lower rate if a lower tax charge is produced by multiplying the gross rental income by 15%.

## 20. DIRECTORS' EMOLUMENTS

	2023	2022
	€	€
Directors' fees	108,425	87,453

## 21. EARNINGS PER SHARE

	2023	2022
Net profit attributable to equity holders of the Company	3,941,632	3,765,146
Weighted average number of ordinary shares in issue	56,400,000	56,400,000
Earnings per share (euro cents)	6.99	6.68

The Company has no instruments or arrangements which give rise to dilutive potential ordinary shares, and accordingly diluted earnings per share is equivalent to basic earnings per share.

## 22. CASH GENERATED FROM OPERATIONS

Reconciliation of operating profit to cash generated from operations:

	2023	2022
	€	€
Operating profit	5,371,960	5,249,353
Adjustments for:		
Depreciation of property, plant and equipment (Note 4)	2,073,098	2,011,715
Depreciation of right-of-use assets (Note 5)	53,902	50,751
Changes in working capital:		
Trade and other receivables	(606,505)	(619,480)
Trade and other payables	62,117	767,603
Cash generated from operations	6,954,572	7,459,942

## 23. COMMITMENTS

### *Operating lease commitments - where the Company is a lessor*

The future minimum lease payments receivable under non-cancellable operating leases entered into by the Company in relation to operations from The Point Shopping Mall are as follows:

	2023	2022
	€	€
Not later than 1 year	7,274,256	6,650,558
Later than 1 year and not later than 5 years	18,400,609	19,822,019
Later than 5 years	22,379,445	24,275,984
	48,054,310	50,748,561

The operating lease agreements entered into by the Company with the tenants of the shopping mall typically run for a significant number of years. These contracts generally provide that the lease payments increase by a predetermined percentage every year, which increases have been reflected in the figures above. A significant number of these arrangements also provide for contingent rentals based on outlet turnover levels.

### *Operating lease commitments - where the Company is a lessee*

The future minimum lease payments payable under non-cancellable motor vehicle operating leases and minimum payments under similar arrangements (maintenance services) are as follows:

	2023	2022
	€	€
Not later than 1 year	11,820	19,140
Later than 1 year and not later than 5 years	11,820	23,640
	23,640	42,780

The lease arrangements in place for motor vehicles fall within the definition of short-term leases for the purposes of IFRS 16.

The Company has other commitments as referred to in Note 4.

## 24. RELATED PARTY TRANSACTIONS

As at 31 December 2023, Mapfre MSV p.l.c. and Marsamxett Properties Ltd, by virtue of the extent of their shareholding in the Company, are considered to be related parties. All companies owned or controlled by these entities, together with all companies forming part of the same groups of companies of which the shareholders form part, are also deemed to be related parties.

During the current financial year, HSBC Life Assurance Ltd and Bank of Valletta p.l.c. disposed of all their entire holdings of the company's ordinary shares, to which their voting rights were attached. Accordingly, these entities ceased being related parties from the effective date of such disposals.

Tigné Mall p.l.c.'s Directors (key management personnel), close members of their families and all entities owned or controlled by these individuals, are considered to be related parties of Tigné Mall p.l.c.

### Principal balances held with parties considered as related parties

	As at 31 December	
	2023	2022
	€	€
Bank borrowings	-	8,985,229

Bank of Valletta p.l.c. was no longer considered to be a related party subsequent to 8 November 2023, being the date of disposal referred to above. The balance of the bank borrowing with this party as at that date was €7,166,192.

### Principal transactions with parties considered as related parties

	Year ended 31 December	
	2023	2022
	€	€
Bank interest payable	(125,343)	(296,608)
Bank charges	(2,220)	(18,673)

The bank interest payable to Bank of Valletta p.l.c. covers the period from 1 January to 8 November 2023, being the date on which Bank of Valletta p.l.c. ceased to be a related party as disclosed above.

The Company also enters into other transactions with other related parties, such as the placement of insurance risks, but the related transaction amounts are not considered to have a material impact on the financial results and financial position of the Company.

Fees payable to the Directors are disclosed in note 20 to these financial statements.

In the opinion of the Directors, all related party transactions have been carried out on an arm's length basis taking cognisance of normal commercial terms.

## 25. DIVIDENDS

A dividend in respect of the year ended 31 December 2023 of €0.014450 (2022: €0.013564) per share, amounting to a net amount of €815,000 (2022: €765,000) was proposed by the Board of Directors subsequent to the end of the reporting period. The financial statements do not reflect the dividend proposed after 31 December 2023, which will be recognised as an appropriation of retained earnings during the financial year ending 31 December 2024. During the current financial year, the Company paid a net interim dividend of €765,000 (2022: €750,000) equivalent to €0.013564 (2022: €0.013298) per ordinary share and also a final net dividend of €765,000 (2022: 750,000) equivalent to €0.013564 (2022: €0.013564) per ordinary share in respect of the prior period financial results as outlined previously.

## 26. STATUTORY INFORMATION

Tigné Mall p.l.c. is a public limited company and is domiciled and incorporated in Malta, with its registered address at Management Suite, The Point Shopping Mall, Pjazza Tigné Point, TP 01, Malta. Its ordinary shares are listed on the Malta Stock Exchange.



## *Independent auditor's report*

To the Shareholders of Tigné Mall p.l.c.

### *Report on the audit of the financial statements*

---

#### *Our opinion*

In our opinion:

- The financial statements give a true and fair view of the financial position of Tigné Mall p.l.c. (the Company) as at 31 December 2023, and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the Audit Committee.

#### **What we have audited**

Tigné Mall p.l.c.'s financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

---

#### *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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

#### **Independence**

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession



## Independent auditor's report - continued

To the Shareholders of Tigné Mall p.l.c.

Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the company are 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).

The non-audit services that we have provided to the company, in the period from 1 January 2023 to 31 December 2023, are disclosed in note 15 to the financial statements.

---

### Our audit approach

#### Overview

<b>Materiality</b>	<ul style="list-style-type: none"><li>Overall materiality: €248,000, which represents 5% of the profit before tax for the year.</li></ul>
<b>Key audit matters</b>	<ul style="list-style-type: none"><li>Valuation of The Point Shopping Mall</li></ul>

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which the company operates.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 the financial statements.



## *Independent auditor's report - continued*

To the Shareholders of Tigné Mall p.l.c.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

<b><i>Overall materiality</i></b>	€248,000
<b><i>How we determined it</i></b>	5% of the profit before tax for the year
<b><i>Rationale for the materiality benchmark applied</i></b>	<p>We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users and is a generally accepted benchmark.</p> <p>We selected 5%, which is within the range of quantitative materiality thresholds that we consider acceptable.</p>

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €24,800 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### **Key audit matters**

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



## Independent auditor's report - continued

To the Shareholders of Tigné Mall p.l.c.

Key audit matter	How our audit addressed the Key audit matter
<p><i>Valuation of The Point Shopping Mall</i></p> <p>The Company's main asset, 'The Point Shopping Mall', is measured at fair value, which is based on valuations commissioned by the Company's Board of Directors and carried out by independent professionally qualified valuers. The valuations are determined on the basis of a model using discounted cash flow projections and these projections are based on a number of unobservable inputs. The Company's property was last revalued by an independent professionally qualified valuer on 31 December 2021.</p> <p>The key inputs in the valuation model include free cash flows after tax that are based on contracted and projected income streams less operating expenses covering the remaining term of the sub-emphyteusis, the growth rate applied to determine projected income streams and the discount rate.</p>	<p>We reviewed the most recent valuation report prepared by independent, professionally qualified valuers, supporting the fair value of 'The Point Shopping Mall' and management's assessment as at 31 December 2023 as to whether the cash flow projections and principal assumptions utilised in the most recent independent valuation report are still applicable as at the end of the current reporting period. We confirmed that the valuation approach utilised is suitable in accordance with the requirements of professional valuation standards. We assessed the competence of the external valuers, including consideration of their qualifications and expertise.</p> <p>Our audit procedures included a review of the projected financial information prepared by management, which have been used within the valuation model. We agreed the projected financial information to the relevant inputs in the model, and to the extent possible, agreed these inputs to the terms of the current tenant rental schedules and other documentation. We tested the mathematical accuracy of the calculations within the model.</p>





## Independent auditor’s report - continued

To the Shareholders of Tigné Mall p.l.c.

Key audit matter	How our audit addressed the Key audit matter
<p>At the end of every reporting period, the Company’s management assesses whether any significant changes have been experienced since the last external valuation and updates the valuation model. Such assessments are performed for the purpose of ascertaining whether the carrying amount of the property is significantly different from estimated fair value, by reviewing the continued applicability of cash flow projections and assumptions utilised in the most recent independent valuation model.</p> <p>We focused on this area because of the significance of the carrying value of ‘The Point Shopping Mall’ in the Statement of the Financial Position and the judgemental nature of the assumptions used in the underlying valuation model.</p> <p>Further disclosure is included in Note 3 (Critical accounting estimates and judgements) and Note 4 (Property, plant and equipment).</p>	<p>We engaged our own in-house valuation experts to critique and challenge the principal assumptions used in the valuation model, including the growth rate and discount rate, given that a marginal change in one of the inputs to the valuation model has a significant impact on the valuation.</p> <p>We discussed the outcome of management’s assessment, indicating that there were no significant differences between the property’s carrying amount and its estimated fair value as at 31 December 2023, with the Audit Committee.</p> <p>We concluded, based on our audit work, that the Company’s property carrying amount and accordingly the outcome of management’s assessment was within a reasonable range of values.</p> <p>In addition, we evaluated the adequacy of the disclosures made in Notes 3 and 4 of the financial statements, including those regarding the principal assumptions.</p>

### Other information

The directors are responsible for the other information. The other information comprises [the Directors’ report, the Corporate Governance – Statement of Compliance and the RemNom Committee Report (but does not include the financial statements and our auditor’s report thereon), which we obtained prior to the date of this auditor’s report, and the Chairman’s Statement and Chief Executive’s Review, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.



## *Independent auditor's report - continued*

To the Shareholders of Tigné Mall p.l.c.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Statement and Chief Executive's Review, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance in accordance with International Standards on Auditing.

---

### *Responsibilities of the directors and those charged with governance for the financial statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

---

### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



## *Independent auditor's report - continued*

To the Shareholders of Tigné Mall p.l.c.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 those charged with governance 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 auditor's report - continued*

To the Shareholders of Tigné Mall p.l.c.

### *Report on other legal and regulatory requirements*

#### *Report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the "ESEF RTS"), by reference to Capital Markets Rule 5.55.6*

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) - the Accountancy Profession (European Single Electronic Format) Assurance Directive ("the ESEF Directive 6") on the Annual Financial Report of Tigné Mall p.l.c. for the year ended 31 December 2023, entirely prepared in a single electronic reporting format.

#### **Responsibilities of the directors**

The directors are responsible for the preparation of the Annual Financial Report, including the financial statements, by reference to Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS.

#### **Our responsibilities**

Our responsibility is to obtain reasonable assurance about whether the Annual Financial Report, including the financial statements, complies in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the Annual Financial Report in XHTML format.
- Examining whether the Annual Financial Report has been prepared in XHTML format.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Opinion**

In our opinion, the Annual Financial Report for the year ended 31 December 2023 has been prepared in XHTML format in all material respects.



## Independent auditor's report - continued

To the Shareholders of Tigné Mall p.l.c.

### Other reporting requirements

The *Annual Financial Report and Financial Statements 2023* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Financial Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

Area of the <i>Annual Financial Report and Financial Statements 2023</i> and the related Directors' responsibilities	Our responsibilities	Our reporting
<p><b>Directors' report</b></p> <p>The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.</p>	<p>We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.</p> <p>We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.</p> <p>In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.</p>	<p>In our opinion:</p> <ul style="list-style-type: none"> <li>the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and</li> <li>the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386).</li> </ul> <p>We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the <i>Other information</i> section.</p>



## Independent auditor's report - continued

To the Shareholders of Tigné Mall p.l.c.

Area of the Annual Financial Report and Financial Statements 2023 and the related Directors' responsibilities	Our responsibilities	Our reporting
<p><b>Corporate Governance - Statement of Compliance</b></p> <p>The Capital Markets Rules issued by the Malta Financial Services Authority require the directors to prepare and include in the Annual Financial Report a Statement of Compliance with the Code of Principles of Good Corporate Governance within Appendix 5.1 to Chapter 5 of the Capital Markets Rules. The Statement's required minimum contents are determined by reference to Capital Markets Rule 5.97. The Statement provides explanations as to how the Company has complied with the provisions of the Code, presenting the extent to which the Company has adopted the Code and the effective measures that the Board has taken to ensure compliance throughout the accounting period with those Principles.</p>	<p>We are required to report on the Statement of Compliance by expressing an opinion as to whether, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified any material misstatements with respect to the information referred to in Capital Markets Rules 5.97.4 and 5.97.5, giving an indication of the nature of any such misstatements.</p> <p>We are also required to assess whether the Statement of Compliance includes all the other information required to be presented as per Capital Markets Rule 5.97.</p> <p>We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.</p>	<p>In our opinion, the Statement of Compliance has been properly prepared in accordance with the requirements of the Capital Markets Rules issued by the Malta Financial Services Authority.</p> <p>We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the <i>Other information</i> section.</p>



*Independent auditor’s report - continued*

To the Shareholders of Tigné Mall p.l.c.

Area of the <i>Annual Financial Report and Financial Statements 2023</i> and the related Directors’ responsibilities	Our responsibilities	Our reporting
<p><b>RemNom Committee report</b></p> <p>The Capital Markets Rules issued by the Malta Financial Services Authority require the directors to prepare a Remuneration report, including the contents listed in Appendix 12.1 to Chapter 12 of the Capital Markets Rules.</p>	<p>We are required to consider whether the information that should be provided within the Remuneration report, as required in terms of Appendix 12.1 to Chapter 12 of the Capital Markets Rules, has been included.</p>	<p>In our opinion, the Remuneration report has been properly prepared in accordance with the requirements of the Capital Markets Rules issued by the Malta Financial Services Authority.</p>



## Independent auditor's report - continued

To the Shareholders of Tigné Mall p.l.c.

Area of the Annual Financial Report and Financial Statements 2023 and the related Directors' responsibilities	Our responsibilities	Our reporting
	<p><b>Other matters on which we are required to report by exception</b></p> <p>We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:</p> <ul style="list-style-type: none"> <li>adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us.</li> <li>the financial statements are not in agreement with the accounting records and returns.</li> <li>we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.</li> </ul> <p>We also have responsibilities under the Capital Markets Rules to review the statement made by the directors that the business is a going concern together with supporting assumptions or qualifications as necessary.</p>	<p>We have nothing to report to you in respect of these responsibilities.</p>





## *Independent auditor's report - continued*

To the Shareholders of Tigné Mall p.l.c.

---

### *Other matter – use of this report*

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

---

### *Appointment*

We were first appointed as auditors of the Company on 31 December 2005. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 19 years. The company became listed on a regulated market on 2 May 2013.

Fabio Axisa  
Principal

*For and on behalf of*  
**PricewaterhouseCoopers**  
78, Mill Street  
Zone 5, Central Business District  
Qormi  
Malta

22 April 2024







TIGNÉ MALL PLC, THE POINT SHOPPING MALL, MANAGEMENT SUITE, TIGNÉ POINT, SLM 3190, MALTA.  
+356 2247 0300 [info@thepointmalta.com](mailto:info@thepointmalta.com) [www.thepointmalta.com](http://www.thepointmalta.com)