Shoreline Mall p.l.c.

C 84005

Annual report and financial statements

30 June 2025

Contents

Directors, officers and other information

Directors:	Ryan Edward Otto Roderick Psaila Charles Scerri Robert Ancilleri
Company secretary:	Luana Pace
Registered office:	Suite 407, Level 4, Block SCM 01 Smart City Malta, Ricasoli, Kalkara SCM 1001 Malta
Country of incorporation:	Malta
Company registration number:	C 84005
Auditor:	GCS Assurance Malta Limited Agora Business Centre Level 2, Valley Road Msida MSD 9020 Malta
Bankers:	Bank of Valletta p.l.c. The Strand Triq Ix-Xatt Gzira GZR 1022 Malta WAMO Solution Limited Portomaso Business Tower Level 11, Vjal Portomaso St. Julians STJ 4011 Malta

The Directors present their report and the audited financial statements for the period ending 30 June 2025.

Overview and principal activities
Shoreline Mall p.l.c. (the "Company") is a public limited liability Company incorporated in Malta on 15 December 2017 with registration number C 84005. The registered address of the Company is Suite 407, Level 4, Block SCM01, Smart City Malta, Ricasoli, Kalkara, SCM 1001, Malta. These financial statements cover the financial year ended 30 June 2025.

The Company's principal activity is to manage the Shoreline Mall shopping complex and to develop residential villas for resale. The Company's main business consists of:

a. The generation of rental income from the commercial operations within the Shoreline Mall units and carpark; and
b. The sale of immovable property within the Shoreline site, mainly consisting of residential villas.

Review of the business trading performance
The Shoreline Mall generated net rental income of *EUR2,374,939* (*2024 – EUR779,419*) and operating profit for the year of *EUR56,453* (*2024 – EUR1,773,530*) after taking into account depreciation and amortisation costs of *EUR1,881,005* (*2024 – EUR629,670*). However, the Company registered a loss of *EUR1,683,134* (*2024 – profit of EUR1,194,762*) for the year ended 30 June 2025 after taking into account its finance costs.

The residential villas have been fully constructed with only finishing works required. They are expected to be put on the market for sale within the next financial year.

Financial position
The Company's total assets as at 30 June 2025 decreased to *EUR76,357,550* when being compared to the previous year balance of *EUR85,156,702*. Both current assets and current liabilities experienced a similar decrease year on year, having a year-end balance of *EUR8,291,256* (*2024 – EUR15,844,959*) and *EUR18,991,622* (*2024 – EUR26,701,362),* respectively. These are mainly the result of a VAT receivable being settled and utilised to reduce an amount due to a group company.

The Company's non-current assets decreased to *EUR68,066,294* (*2024 – EUR69,311,743*) primarily due to depreciation and amortisation charges for the year. Non-current liabilities remained consistent at *EUR39,902,589* (*2024 – EUR39,927,091*), whilst net assets decreased to *EUR17,463,339* (*2024 – EUR18,528,249*).

Financial risk management
The Company is exposed to a variety of financial risks, including market risk, credit risk and liquidity risk, as disclosed in note 5 to the financial statements.

Outlook for 2026
The Shoreline Mall is expected to expand its market share in the south of the island through continued footfall growth. Various events have been planned not only to attract new customers to the mall, but also to promote a steadier flow of visitors throughout the week. Footfall is further expected to increase as the Shoreline residential component of project nears completion and both long-term and short-term residents occupy the apartments block by block. The closing of nearby shopping facilities within the locality is also expected to further redirect footfall to the Shoreline Mall.

The residential component of the project is completely constructed, and the finishing works are expected to be completed by financial year end 2026.

Dividends
No dividend is being recommended as the Company did not have any distributable reserves at the end of the reporting period.

Corporate Governance
The Directors are committed and fully support the adoption of the relevant corporate governance standards, in this case the Code of Principles of Good Corporate Governance (the "Code"), which entails amongst others, principles such as the appointment of independent Directors to the Board, the formation of an audit committee as well as the continued adoption of internal controls to manage, review and safeguard the Company's assets and operations.

Going concern
Although the Company registered a loss after tax of *EUR1,064,910* (*2024 – profit after tax of EUR1,557,159*) for the year after taking into account depreciation, amortisation and finance costs, the Company generated substantial net rental income and a positive cashflow from operations during its first full year of operations. The Company is expected to continue generating higher net rental income, together with proceeds from the sale of fixed property, resulting in positive cashflows over the medium term. Furthermore, the mall has achieved significant growth in total retail sales subsequent to year end, further improving the outlook for the following periods.

The Company acknowledges the upcoming maturity of the Shoreline Mall Secured Bonds 2026 on 1 August 2026. Management has identified and is actively pursuing several viable funding options to meet this obligation, including the refinancing of this debt through a combination of financial support from related group companies, including its parent company and ultimate parent company, and through the potential rollover of the existing bond. Discussions with financial institutions and the current bond sponsors are ongoing and management believes that sufficient funding will be secured prior to the maturity date to ensure timely repayment.

The Directors have considered the Company's financial position, performance, and cash flow projections as part of their assessment of the Company's ability to continue as a going concern. The timing and successful completion of the planned refinancing or alternative funding arrangements have not yet been finalised as such processes will only be completed closer to the maturity date. Regardless of this, the Company's ultimate parent has committed the required funding to repay the maturing bonds should none of the other financing options realise in time.

The financial statements have been prepared on a going concern basis, which the Directors consider appropriate in view of their expectation that the ongoing negotiations and planned financing initiatives will be successfully concluded, enabling the Company to meet its obligations as they fall due for the foreseeable future.

Board of Directors

The Directors who served during the period and up till the date of this report are as follows:

Ryan Edward Otto (Executive Director)
Roderick Psaila (Non-executive Director)
Charles Scerri (Non-executive Director)
Robert Ancilleri (Non-executive Director)

In accordance with the Company's articles of association all the Directors are to remain in office.

Auditors

GCS Assurance Malta Limited have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

Signed on behalf of the Company's Board of Directors on 30 October 2025 by Robert Ancilleri and Ryan Edward Otto as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Financial Statements 2025.

Statement of Directors' responsibilities

Year ended 30 June 2025

The Directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements in accordance with generally accepted accounting principles and practice which give a true and fair view of the state of affairs of the Company at the end of each financial period and of the profit or loss of the Company for the period then ended.

In preparing the financial statements, the Directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and which enable the Directors to ensure that the financial statements comply with the Maltese Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining 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. The Directors 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.

Additionally, the Directors are responsible for:

- the preparation and publication of the Annual Financial Report, including the financial statements, in XHTML format in accordance with the requirements of the European Single Electronic Format Regulatory Technical Standard as specified in the Commission Delegated Regulation (EU) 2019/815 (the "ESEF RTS"), as required by Capital Markets Rule 5.56A,
- designing, implementing, and maintaining internal controls relevant to the preparation of the Annual Financial Report in XHTML format, that is free from material misstatement, whether due to fraud or error,

and consequently, for ensuring the accurate transfer of the information in the Annual Financial Report into a single electronic reporting format.

Statement of responsibility pursuant to the Capital Market Rules issued by Malta Financial Services Authority

In accordance with Capital Market Rule 5.68, we confirm that to the best of our knowledge:

a) the financial statements give a true and fair view of the financial position of the Company as at 30 June 2025 and of their financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU (or "IFRS" as adopted by the EU); and
b) the Directors' report includes a fair review of the performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

Signed on behalf of the Company's Board of Directors on 30 October 2025 by Robert Ancilleri (Director) and Ryan Edward Otto (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Financial Statements 2025.

Introduction

The Board of Directors (the "Board") of Shoreline Mall p.l.c. (also referred to as "the Company") acknowledges that effective corporate governance is critical to the proper functioning not just of the sector in which the Company operates but the Maltese society at large. Hence, it is committed to high standards of corporate governance and has a solid corporate governance framework that is built around the principles of control and accountability. The Board further believes that good corporate governance has a positive impact on the Company's performance.

The Company is subject to regulation by the Listing Authority. It 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. In terms of Listing Rule 5.94 and the Code's Preamble, the Company is obliged to disclose compliance or non-compliance with the provisions of the said Code. The Company strives to maintain the highest standards of disclosure in reporting the effective measures adopted to ensure compliance with the Code, and to explain the instances of non-compliance.

General

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 it is considered appropriate and complementary to the size, nature and operations of the Company.

The Company acknowledges that although the Code does not dictate or prescribe mandatory rules, the Board endorsed the principles recommended in the Code and ensured their adoption, save as indicated within the section entitled Non-Compliance with the Code where the Board indicates and explains the instances where it has not complied with the Code.

For the avoidance of doubt, reference in this Statement to compliance with the principles of the Code means compliance with the Code's main principles.

The Board believes that for the financial year under review, the Company has generally complied with the requirements for each of the Code's main principles. Further information in this respect is provided hereunder.

Principle One: The Company's Board of Directors

The Board reports that for the financial year under review, the Directors have provided the necessary leadership in the overall direction of the Company and have performed their responsibilities for the efficient and smooth running of the Company. The Board is composed of members who are honest, competent and solvent and thus fit and proper to direct the business of the Company. All the members of the Board are fully aware of, and conversant with, the statutory and regulatory requirements connected to the business of the Company. The Board is accountable for its performance and that of its delegates to shareholders and other relevant stakeholders.

The Board has adopted prudent and effective systems throughout the year under review, which ensure an open dialogue between the Board and senior management.

The Company has a structure that ensures a mix of executive and non-executive Directors and that enables the Board to have direct information about the Company's performance and business activities.

During the year, the Board delegated specific responsibilities to the Audit Committee. Further detail in relation to this committee and its responsibilities can be found under *Principle Four* of this Statement.

Principle Two: The Company's Chairman and Chief Executive Officer (“CEO”)

The Chairman exercises independent judgement and is responsible to lead the Board and sets its agenda, whilst also ensuring that the Directors receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company. The Chairman is also responsible for ensuring effective communication with shareholders and ensuring active engagement by all members of the Board for discussion of complex or contentious issues.

The role of the CEO is carried out by Ryan Edward Otto who is accountable to the Board for all business operations of the Company and ensures the effective overall management and control of the business and proper coordination of the activities undertaken.

Although the roles of the Chairman and the CEO are now held by the same individual, the division of responsibilities for each role have been clearly established and agreed by the Board. The Chief Financial Officer is responsible for financial reporting and financial controls, whilst statutory compliance is performed by the Company Secretary. The Chief Operational Officer is responsible for operations and site risk management. These representatives in turn report to the CEO and when required, to the Board directly.

The Company forms part of the Shoreline group of companies (the “group”) but has its own management structure and accounting systems and internal controls, and is governed by its own Board, whose members, are appointed by the shareholders of the Company. This provides sufficient delegation of powers to achieve effective management. The organisational structure ensures that decision making powers are spread wide enough to allow proper control and reporting systems to be in place and maintained in such a way that no one individual or small group of individuals has unfettered powers of decision.

Principle Three: Composition of the Board

During the year, the Board was composed of four (4) members, with one (1) executive and three (3) non-executive Directors, with each member offering core skills and experience that are relevant for the successful operation of the Company. The Board is responsible for the overall long-term strategy and general policies of the Company, monitoring the Company's systems of control and financial reporting and communicating effectively with the market as and when necessary.

The Board of Directors consists of the following:

- Robert Ancilleri – Independent non-executive Director
- Charles Scerri – Independent non-executive Director
- Ryan Edward Otto – Chairman/ Executive Director
- Roderick Psaila – Non-executive Director

In accordance with the provisions of the Company's Articles of Association, the appointment of Directors to the Board is exclusively reserved to the Company's shareholders, except in so far as appointment is made by the Board to fill a casual vacancy, which appointment would be valid until the conclusion of the next Annual General Meeting of the Company following such an appointment. In terms of the Articles of Association, a Director shall hold office without retirement until death or until they retire or are removed by the Company in accordance with Article 140 of the Companies Act (Cap. 386).

Mr. Robert Ancilleri and Mr. Charles Scerri are considered by the Board to be independent non-executive members of the Board.

None of the independent non-executive Directors:

a) is or has been employed in any capacity with the Company and/or the group;
b) has or had a significant business relationship with the Company and/or the group;
c) has received significant additional remuneration from the Company and/or the group;
d) has close family ties with any of the Company's executive Directors or senior employees;
e) has served on the Board for more than twelve consecutive years; or
f) is or has been within the last three years an engagement partner or a member of the audit team of the present external auditor of the Company and/or the group.

Each non-executive Director has declared in writing to the Board that he undertakes:

a) to maintain in all circumstances his independence of analysis, decision and action;
b) not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and
c) to clearly express his/her opposition in the event that he finds that a decision of the Board may harm the Company.

Principle Four: The Responsibilities of the Board

The Board acknowledges its statutory mandate to conduct the administration and management of the Company. In fulfilling this mandate and discharging its duty of stewardship of the Company, the Board assumes responsibility for the Company's strategy and decisions with respect to the issue, servicing and redemption of its Bonds in issue, and for monitoring that its operations are in conformity with its commitments towards the Bondholders, the Company's shareholders, and all relevant laws and regulations. The Board is also responsible for ensuring that the Company establishes and operates effective internal control and management information systems, identifies and ensures that significant risks are managed satisfactorily and that it communicates effectively with the market.

Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Company's expense.

The Board has also established an Audit Committee. The terms of reference of this Committee are compliant with the Capital Markets Rules.

The Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its responsibilities: in dealing with issues of risk, control and governance; and review the financial reporting processes, financial policies and internal control structure. During the financial year under review, the Audit Committee met six (6) times and all members were present for the meetings.

The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board.

Furthermore, the Audit Committee has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Company with a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Company.

The Audit Committee is composed of three (3) members:
- Charles Scerri – Chairman
- Robert Ancilleri – Member
- Roderick Psaila – Member

Two (2) of the members are independent non-executive Directors and are competent in accounting/or auditing in terms of Capital Markets Rule 5.117 on the basis that they are all qualified accountants.

In terms of Capital Markets Rule 5.127.7, the Audit Committee is responsible for developing and implementing policy on the engagement of the external auditor to supply non-audit services.

Internal Control and Risk Management

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. The Directors are aware that internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against normal business risks.

During the financial year under review, the Company operated a system of internal controls which provided reasonable assurance of effective and efficient operations covering all controls, including financial and operational controls and compliance with laws and regulations. Processes are in place for identifying, evaluating and managing the significant risks facing the Company.

Other key features of the system of internal controls adopted by the Company are as follows:

Risk identification, control and reporting

The Board, with the assistance of the management team, is responsible for the identification and evaluation of key risks applicable to the areas of business in which the Company is involved. These risks are assessed on a continual basis with a view to control and mitigate where deemed necessary. Major risks (if identified) that are applicable to their areas of business are reported and then discussed at Board meetings.

Information and communication

Periodic strategic reviews which include consideration of long-term financial projections and the evaluation of business alternatives are regularly convened by the Board. An annual budget is prepared and performance against this plan is actively monitored and reported to the Board.

Reporting

The Company has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include physical controls, segregation of duties and reviews by management. On a quarterly basis, the Board receives a comprehensive analysis of financial and business performance.

Principle Five: Board Meetings

The Board meets as often and as frequently as required to discharge its duties effectively. The Directors are notified of forthcoming meetings by the Company Secretary at least seven (7) days before with the issue of an agenda and supporting Board papers. Minutes are prepared during Board meetings recording faithfully attendance, and resolutions taken at the meeting. The Chairman ensures that all relevant issues are on the agenda, supported by all available information, whilst encouraging the presentation of views pertinent to the subject matter and giving all Directors every opportunity to contribute to relevant issues on the agenda. The agenda for Board meetings seeks to achieve a balance between long-term strategic and short-term performance issues.

Directors attend meetings on a frequent and regular basis and dedicate the necessary time and attention to their duties as Directors of the Company. The Board met seven (7) times during the financial year under review.

The following Directors attended Board meetings as follows:

Name	Designation	Number of Meetings
Ryan Edward Otto	Chairman/ Executive Director	7 out of 7
Roderick Psaila	Non-executive Director	7 out of 7
Robert Ancilleri	Non-executive Director	7 out of 7
Charles Scerri	Non-executive Director	7 out of 7

The Board has access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are complied with, as well as for ensuring sound information flows between the Board and the Audit Committee.

Principle Six: Information and Professional Development

As part of succession planning and employee retention, the Board ensures that the Company implements appropriate schemes to recruit, retain and motivate employees and senior management and keep a high morale amongst employees.

The executive Directors are responsible for the recruitment and selection of senior management, consult with the Board on the appointment of, and on a succession plan for, senior management.

Training (both internal and external) of management and employees remains a priority. The group often allows adequate paid for study leave to employees who wish to further their education.

Principle Seven: Evaluation of the Board's Performance

The mall opened to the public on 1 March 2024. Given that the operations of the Company are now in full swing, the Board will be undertaking its first evaluation of its own performance by end of 2025.

Principle Eight: Remuneration and Nomination Committees

The Board of Directors considers that the size and operation of the Company does not warrant the setting up of a nomination and remuneration committee. Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Company's Memorandum and Articles of Association. The Company considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

Principles Nine and Ten: Relations with Shareholders and with the Market and with Institutional Shareholders

Pursuant to the Company's statutory obligations in terms of the Companies Act (Cap. 386 of the Laws of Malta), the Annual Report and Financial Statements, the election of Directors and approval of Directors' fees, the appointment of the external auditors and the authorisation of the Directors to set the auditors' fees, and other special business, are proposed and approved at the Company's Annual General Meeting.

The Board is responsible for making relevant public announcements. It is also responsible to ensure that the Company is meeting its continuing obligations in terms of the Capital Markets Rules. During the financial year under review, the Company made nine (9) public announcements to the market.

Principle Eleven: Conflicts of Interest

The Directors are strongly aware of their responsibility to act at all times in the interest of the Company and its shareholders as a whole and of their obligation to avoid conflicts of interest.

Any Directors of the Company who hold a direct beneficial interest in the share capital of the Company are susceptible to conflicts arising between the potentially diverging interests of the shareholders and the Company. During the financial year under review, no private interests or duties unrelated to the Company were disclosed by the Directors which were or could have been likely to place any of them in conflict with any interests in, or duties towards, the Company.

If a Director has a continuing material interest that conflicts with the interests of the Company, they are obliged to take effective steps to eliminate the grounds for conflict. In the event that such steps do not eliminate the grounds for conflict then the Director should consider resigning.

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

Principle Twelve: Corporate Social Responsibility

The Company seeks to adhere to conducting its business in a responsible and sustainable manner, taking into account sound Principles of Corporate Social Responsibility in its management practices and is committed to embark on commercial projects and initiatives that have a positive impact on the environment, tangibly supporting the social dynamics of the Maltese community and ensure a more robust corporate governance framework.

In terms of environmental sustainability, the Company strives to minimise our environmental footprint by implementing sustainable practices such as the use of renewable energy, second class water and recycling of waste. Such practices contribute towards reducing energy and water consumption as well as minimising waste.

The group, to which the Company forms part of, remains particularly committed to the sports and health sector wherein it has assisted in:

- development of sports through the sponsoring of multiple football clubs in the regional district at both junior and senior levels; and
- supporting the community through hosting events of which all proceeds are donated for cancer awareness.

Board independence, diversity and a strong control culture are key elements that the Company works constantly on to ensure a sound governance structure.

Non-Compliance with the Code

As at the date hereof, the Board considers the Company to be in compliance with the Code except for the following:

Principle Two: The Company's Chairman and Chief Executive Officer ("CEO")

The Board has appointed Mr Ryan Edward Otto as Chairman of the Board whilst also occupying the role of CEO of the Company. The Board believes that in the view that Mr Otto is involved in the day-to-day operations of the Company, serving as Chairman of the Board would be beneficial in providing the Board and the Company with strategic views for the growth of the Company. The Board further believes that the continuous involvement and contribution of the non-executive Directors, further strengthens the relations between the Executive and non-executive Directors, notwithstanding that the roles of Chairman of the Board and CEO are performed by the same individual. The independent non-executive Directors shall carry out regular reviews to assess the soundness of such decision, in particular to ensure that strong principles of good corporate governance are upheld at all times.

The Board intends to keep under review the benefits of separating the role of the Chairman of the Board and CEO, or otherwise.

Principle Seven: Evaluation of the Board's Performance

The Board has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance in accordance with the requirements of Code Provision 7.1. The Board believes that the stage the Company has reached, the size of the Company and the Board itself do not warrant the establishment of a committee specifically for the purpose of carrying out a performance evaluation of its role. Notwithstanding, a review of the Board's performance is planned to be undertaken by the end of 2025. Whilst the requirement under Code Provision 7.1 might be useful in the context of larger companies having a more complex set-up and a larger Board, the size of the Company's Board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad-hoc committee for this purpose.

The Board shall continue reviewing this matter in future.

Principle Eight: Committees

The Board considers that the size and operation of the Company do not warrant the setting up of a nomination and remuneration committee in line with Code Provision 8A. The Board relies on the constant scrutiny of the Board itself, the Company's shareholders, the market and the rules by which the Company is regulated as a listed entity. In addition, the Board took into consideration the fact that the remuneration of the Board is not performance related.

The Board intends to keep under review the utility and possible benefits of having a Remuneration Committee in due course.

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

Signed on behalf of the Company's Board of Directors on 30 October 2025 by Robert Ancilleri (Director) and Ryan Edward Otto (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Financial Statements 2025.

Shoreline Mall p.l.c.

Statement of profit or loss and other comprehensive income
Year ended 30 June 2025

		Year ended 30 June	
	Notes	**2025** **EUR**	2024 EUR
Rental income	7	**2,983,241**	927,656
Property operating expenses	8	**(608,302)**	(148,237)
Net rental income		**2,374,939**	779,419
Revenue from inventory property	7	**-**	9,400,000
Cost of sales – inventory property		**-**	(6,099,318)
Profit on inventory property		**-**	3,300,682
Other income		**11,632**	24,000
Administrative expenses	8	**(2,330,118)**	(2,330,571)
Operating profit for the year		**56,453**	1,773,530
Finance costs	9	**(1,739,587)**	(578,768)
(Loss)/profit before tax	10	**(1,683,134)**	1,194,762
Income tax credit	11	**618,224**	362,397
(Loss)/profit for the year		**(1,064,910)**	1,557,159

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

Statement of financial position

As at 30 June 2025

	Notes	As at 30 June 2025 EUR	2024 EUR
ASSETS			
Non-current assets			
Investment property	14	**66,754,746**	68,515,847
Property, plant and equipment	15	**313,169**	409,283
Intangible assets		**17,758**	24,216
Deferred tax asset	11	**980,621**	362,397
		68,066,294	69,311,743
Current assets			
Inventory under construction	17	**6,075,052**	6,020,237
Trade and other receivables	16	**1,182,873**	8,579,728
Amounts due from group companies	18	**647,419**	1,033,898
Cash and cash equivalents	25	**385,912**	211,096
		8,291,256	15,844,959
Total assets		**76,357,550**	85,156,702
EQUITY			
Share capital	23	**18,075,998**	18,075,998
(Accumulated losses)/retained earnings		**(612,659)**	452,251
Total equity		**17,463,339**	18,528,249
LIABILITIES			
Current liabilities			
Trade and other payables	19	**2,703,545**	4,155,888
Amounts due to group companies	20	**16,136,300**	22,397,461
Lease liabilities	21	**151,777**	148,013
		18,991,622	26,701,362
Non-current liabilities			
Long-term deposits received	19	**247,000**	344,100
Debt securities in issue	22	**39,655,589**	39,582,991
		39,902,589	39,927,091
Total liabilities		**58,894,211**	66,628,453
Total equity and liabilities		**76,357,550**	85,156,702

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

Signed on behalf of the Company's Board of Directors on 30 October 2025 by Robert Ancilleri (Director) and Ryan Edward Otto (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Financial Statements 2025.

Statement of changes in equity
Year ended 30 June 2025

	Share capital EUR	(Accumulated losses)/retained earnings EUR	Total EUR
Balance at 30 June 2023	18,075,998	(1,104,908)	16,971,090
Profit and total comprehensive income for the year	-	1,557,159	1,557,159
Balance at 30 June 2024	18,075,998	452,251	18,528,249
Loss and total comprehensive loss for the year	-	(1,064,910)	(1,064,910)
Balance at 30 June 2025	**18,075,998**	**(612,659)**	**17,463,339**

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

Shoreline Mall p.l.c.

Statement of cash flows

Year ended 30 June 2025

	Year ended 30 June	
	2025	2024
	EUR	EUR
Cash flows (used in)/from operating activities		
(Loss)/profit before tax	**(1,683,134)**	1,194,762
Depreciation & amortisation	**1,881,005**	629,671
Interest expense	**1,739,587**	578,768
Interest income	**(2,286)**	-
	1,935,172	2,403,201
Working capital movements:		
Movement in inventory under construction	**(54,815)**	(2,300,679)
Movement in trade and other receivables	**(348,322)**	(329,230)
Movement in trade and other payables	**(1,023,959)**	1,827,330
Cash flows from operating activities	**508,076**	1,600,622
Interest income	**2,286**	-
Interest paid on lease liabilities	**(10,092)**	(4,406)
Net cash flows from operating activities	**500,270**	1,596,216
Cash flows used in investing activities		
Additions to investment property	**(1,715,974)**	(4,664,024)
Transfers of investment property	**636,584**	-
Additions to property, plant and equipment	**(8,077)**	(442,501)
Additions to intangible assets	**-**	(25,835)
Net cash flows used in investing activities	**(1,087,467)**	(5,132,360)
Cash flows from financing activities		
Interest on debt securities	**(1,730,000)**	(1,730,000)
Payment of principal amount of lease liability	**-**	(435)
Financing from related parties	**2,492,013**	2,978,972
Restricted funds (note 25)	**(308,685)**	-
Net cash from financing activities	**453,328**	1,248,537
Net movement in cash and cash equivalents	**(133,869)**	(2,287,607)
Cash and cash equivalents at the beginning of the year	**211,096**	2,498,703
Cash and cash equivalents at the end of the year (note 25)	**77,227**	211,096

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

1. Company information and basis of preparation

Shoreline Mall p.l.c. is a public limited liability company incorporated in Malta with registration number C 84005. The registered address of the Company is Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara, SCM 001, Malta.

The Company's principal activity is to manage the Shoreline Mall shopping complex and to develop residential terraced houses for resale, which both form part of the development undertaken in Smart City Malta (the Shoreline site) by the group of companies controlled by Shoreline Holdings Limited.

The financial statements have been prepared on the historical cost basis and in accordance with International Financial Reporting Standards as adopted by the EU. The material accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements cover the financial year ending 30 June 2025.

These financial statements are presented in Euro (EUR), which is the Company's functional currency.

Going concern

Although the Company registered a loss after tax of *EUR1,064,910* (*2024 – profit after tax of EUR1,557,159*) for the year after taking into account depreciation, amortisation and finance costs, the Company generated substantial net rental income and a positive cashflow from operations during its first full year of operations. The Company is expected to continue generating higher net rental income, together with proceeds from the sale of fixed property, resulting in positive cashflows over the medium term. Furthermore, the mall has achieved significant growth in total retail sales subsequent to year end, further improving the outlook for the following periods.

The Company acknowledges the upcoming maturity of the Shoreline Mall Secured Bonds 2026 on 1 August 2026. Management has identified and is actively pursuing several viable funding options to meet this obligation, including the refinancing of this debt through a combination of financial support from related group companies, including its parent company and ultimate parent company, and through the potential rollover of the existing bond. Discussions with financial institutions and the current bond sponsors are ongoing and management believes that sufficient funding will be secured prior to the maturity date to ensure timely repayment.

The Directors have considered the Company's financial position, performance, and cash flow projections as part of their assessment of the Company's ability to continue as a going concern. The timing and successful completion of the planned refinancing or alternative funding arrangements have not yet been finalised as such processes will only be completed closer to the maturity date. Regardless of this, the Company's ultimate parent has committed the required funding to repay the maturing bonds should none of the other financing options realise in time.

The financial statements have been prepared on a going concern basis, which the Directors consider appropriate in view of their expectation that the ongoing negotiations and planned financing initiatives will be successfully concluded, enabling the Company to meet its obligations as they fall due for the foreseeable future.

2. Segment information

The Shoreline Mall is located in Malta and accordingly revenues from the above activities will be attributed to Malta. As outlined in note 1, the Company's principal activity is to manage the Shoreline Mall shopping complex and to develop residential villas for resale. The Company's main business consists of:

a) The generation of rental income from the commercial operations within the Shoreline Mall units and carpark; and
b) The sale of immovable property within the Shoreline site, mainly consisting of residential villas and residential carpark spaces.

2. Segment information (continued)

In the prior financial year, the residential carpark spaces were sold in their entirety.

The remaining properties are classified with inventory under construction and investment property respectively in note 17 and note 14. Since the project is managed centrally, the above activities are considered to be one operating segment as at year end.

3. Material accounting policies

Revenue recognition

Revenue is generated from rental income and from the sale of inventory property.

Rental income from operating leases is recognised on a straight-line basis over the lease term, except for contingent rental income which is recognised when it arises; it is included in revenue in the statement of profit or loss due to its operating nature. When the Company provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

The sale of completed property constitutes a single performance obligation, and the Company has determined that this is satisfied at the point in time when ownership of the property transfers.

Investment property and investment property under construction

Investment property includes right-of-use assets in terms of IFRS 16 *Leases* together with development that is being constructed by the Company on those right-of-use assets. The accounting policy for right-of-use assets is included below in the section entitled ‘Leases’.

Properties in the course of construction for future use as investment property are classified as investment property. Existing investment property that is being redeveloped for continued future use as investment property continues to be classified as investment property.

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment property is initially measured at cost, including transaction costs. For qualifying assets, borrowing costs are capitalised in accordance with the Company's accounting policy on borrowing costs. Subsequent to initial recognition, investment property is stated at cost less any accumulated depreciation and any accumulated impairment losses.

Inventories - Properties held for development and resale

Inventory includes right-of-use assets in terms of IFRS 16 *Leases* together with development that is being constructed by the Company on those right-of-use assets. The accounting policy for right-of-use assets is included below in the section entitled ‘Leases’.

Inventories, including leasehold land right-of-use assets classified as inventory for which it is reasonably certain that the purchase option is going to be exercised, are stated at the lower of cost and net realisable value. Cost comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition, these comprise the purchase cost of acquiring the land together with other costs incurred during its subsequent development. For qualifying assets, borrowing costs are capitalised in accordance with the Company's accounting policy on borrowing costs. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

3. Material accounting policies (continued)

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight-line method.

The estimated useful lives of investment property and property, plant and equipment are as follows:

Buildings	50 years
Air conditioning	6 years
Electronic equipment	4 years
Electrical equipment	15 years
Vertical transportation	10 years
Furniture and fittings	10 years

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. No depreciation is charged on leasehold land right-of-use assets classified as investment property for which it is reasonably certain that the purchase option is going to be exercised.

Financial assets - classification

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Company classifies its financial assets are amortised cost.

- debt instruments held within a business model whose objective is to hold to collect contractual cashflows are measured at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Financial assets - recognition

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 settlement date, which is the date on which an asset is delivered to or by the Company. Any change in fair value for the asset to be received is recognised between the trade date and settlement date in respect of assets which are carried at fair value in accordance with the measurement rules applicable to the respective financial assets.

Financial assets are initially recognised at fair value plus transaction costs. Subsequently, they are measured according to their classification as detailed above. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method.

3. Material accounting policies (continued)

Financial assets - recognition (continued)

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 risks and rewards of ownership or has not retained control of the asset.

The Company's financial assets comprise:

(i) Trade and other receivables

Trade and other receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss as applicable.

(ii) Amounts due from group companies

These financial assets are subsequently measured at amortised cost as they meet the following conditions:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Appropriate allowances for expected credit losses (or "ECLs") are recognised in profit or loss in accordance with the Company's accounting policy on ECLs.

Where applicable, interest income is recognised using the effective interest method.

Estimated credit losses (ECLs)

The Company recognises a loss allowance for ECLs on the following – financial assets measured at amortised cost. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since the initial recognition. For financial assets other than trade receivables and contract assets, the Company applies the simplified method by applying a practical expedient in line with IFRS 9 and recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL ('12m ECL').

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring. The Company recognises an impairment gain or loss in profit or loss. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset, have occurred.

3. Material accounting policies (continued)

Estimated credit losses (ECLs) (continued)

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort and, where applicable, the financial position of the counterparties.

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors or borrowers operate as well as consideration of various external sources of actual and forecasted economic information that relate to the debtors' or borrowers' core operations.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. Accordingly, for these financial assets, the loss allowance is measured at an amount equal to 12m ECL.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 120 days past due, unless the Company has reasonable and supportable information, that is available without undue cost or effort, that demonstrates otherwise.

Evidence that a financial asset is credit-impaired includes observable data about the following events:
a) significant financial difficulty of the issuer or the borrower;
b) a breach of contract, such as a default or past due event;
c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) the disappearance of an active market for that financial asset because of financial difficulties.

Financial liabilities

The Company recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Company's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as 'Other liabilities') under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Company derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

3. Material accounting policies (continued)

Financial liabilities (continued)

The Company's financial liabilities comprise:

(i) Trade and other payables and amounts due to group companies

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are stated at their nominal value, unless the effect of discounting is material, in which case other payables are measured at amortised cost using the effective interest method.

(ii) Debt securities in issue

Debt securities in issue are recognised initially at the fair value of proceeds received; net of transaction costs incurred. Subsequent to initial recognition, debt securities in issue are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial. Any difference between the proceeds, net of transaction costs, and the settlement or redemption of the debt securities in issue is recognised in profit or loss over their term, unless the interest on debt securities in issue is capitalised in accordance with the Company's accounting policy on borrowing costs.

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing.

Borrowing costs that are directly attributable to the acquisition and construction of investment property and inventory, qualifying assets of the Company, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until the completion of the property. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred. The interest expense on the lease liability and finance cost on debt securities in issue are included in the cost of the relevant qualifying assets classified as either (i) investment property or (ii) inventories.

Leases

The Company as a lessee:

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, unless otherwise stated below.

The lease term is determined as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Where a right-of-use asset and a corresponding lease liability are recognised, the lease liability is initially measured at the commencement date at the present value of the lease payments that are not paid at that date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

3. Material accounting policies (continued)

Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets are initially measured at the commencement date at cost, being the amount of the initial measurement of the corresponding lease liability, initial direct costs, lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The measurement of impairment losses on right-of-use assets is determined in accordance with the Company's accounting policies on Depreciation and Impairment of Other Assets.

As described in note 17, in the statement of financial position, right-of-use assets that do not meet the definition of investment property are included within inventories (being the same line item as that within which the corresponding underlying assets would be presented if they were owned). In the statement of financial position, right-of-use assets that meet the definition of investment property are presented with investment property. In the statement of financial position, lease liabilities are included separately from other liabilities.

In the statement of profit or loss and other comprehensive income, interest expense on the lease liability is presented separately from the depreciation charge for the right-of-use asset. In the statement of cash flows, cash payments for the principal portion of the lease liability are presented within financing activities and cash payments for the interest portion of the lease liability are presented within operating activities.

The interest expense on the lease liability is accounted for in accordance with the Company's accounting policy entitled 'Borrowing costs'.

The Company as a lessor:

Refer to accounting policies on rental income in this note.

Taxation

Current and deferred tax are both recognised in profit or loss.

Current tax is based on the taxable result for the year. The taxable result for the year differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other years. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. Material accounting policies (continued)

Taxation (continued)

Current tax assets and liabilities are offset when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to set off its current tax assets and liabilities and 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 which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and restricted cash.

Finance costs

Finance costs mainly comprise interest expense on bonds issued as set out in the notes to these financial statements. Finance costs are recognised as an expense in profit and loss in the period in which they are incurred.

Bond issue costs

Bond issue costs are deferred over the term of the bond and annually amortised using the effective interest method.

4. Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made no judgements which can significantly affect the amounts recognised in the financial statements and, at the end of the reporting period, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, other than as disclosed in note 14.

5. Financial risk management

The exposures to risk and the way risks arise, together with the Company's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Where applicable, any significant changes in the Company's exposure to financial risks or the manner in which the Company manages and measures these risks are disclosed below.

Where possible, the Company aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

5. Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign currency rates and interest rates, will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Company does not have exposure to equity price risk as it does not hold equity investments classified as financial assets held at fair value. Any changes in equity prices are not expected to have a material impact on the Company's financial statements.

Interest rate risk

The Company has issued debt securities to finance its operations as disclosed in note 22. The interest rates thereon and the terms of such borrowings are disclosed accordingly.

Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by adjusting its selling prices or by restructuring its financing structure. The Company is exposed to fair value interest rate risk on borrowings carrying a fixed interest rate, however since these instruments are measured at amortised cost, changes in their fair value will have no impact on the financial statements. The Company's exposure on cash flow interest rate risk with floating interest rates is insignificant.

Where applicable, interest is capitalised in accordance with the Company's accounting policy on borrowing costs.

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation. Credit risk is managed at a group level.

Financial assets which potentially subject the Company to credit risk consist principally of cash at bank, trade receivables and amounts due from group companies.

The Company held cash at bank of *EUR77,157* at 30 June 2025 (*2024 – EUR211,096*). At June 2025 the cash at bank is held at WAMO, an EMI, and is fully safeguarded in a separate account at all times with other financial institutions. As the balance held at year-end is not considered significant, the Directors have accordingly determined that any potential expected credit loss would be insignificant.

Financial assets measured at amortised cost are presented net of an allowance for ECLs. The Company's management estimated that as at 30 June 2025, trade receivables of *EUR194,483 (2024 – EUR426,556)* and amounts due from group companies of *EUR647,419 (2024 – EUR1,033,898)* are considered to have a low risk of default and do not have any past due amounts. The provision for loss allowance (12m ECL) is therefore deemed to not be significant.

The Company limits its exposure to credit risk by assessing the tenants according to Company criteria prior to entering into lease arrangements. Credit risk is managed by requiring tenants to pay rentals and services to tenants in advance. Outstanding tenants' receivables are regularly monitored, and impairment analysis is performed at each reporting date on an individual basis for major tenants.

5. Financial risk management (continued)

Credit risk (continued)

Credit risk rating grades

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained as below:

	2025 **EUR**	2024 EUR
Cash at bank and restricted cash (note 25)	**385,912**	211,096
Trade receivables (note 16)	**194,483**	426,556
Amounts due from group companies (note 18)	**647,419**	1,033,898
	1,227,814	1,671,550

Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally of trade and other payables, amounts due to group companies, lease liabilities and debt securities in issue as disclosed in notes 19, 20, 21, and 22, respectively.

As at the end of the reporting period the Company's current liabilities exceeded current assets by *EUR10,700,366 (2024 – EUR10,856,403)*. Shoreline Contracting Limited, a fellow group company, has provided an undertaking that it will not request settlement of the amounts due to it to the value of *EUR11,466,396 (2024 – EUR19,879,00*5) by the Company until the Company's financial resources permit and together with the ultimate shareholders have given their commitment to provide continued financial support to enable the Company to meet its obligations as and when they fall due. The Company therefore believes that it will be in a position to continue to meet its commitments as and when they fall due.

The Company monitors and manages its risk to a shortage of funds by monitoring the availability of raising funds to meet commitments associated with the development of the Shoreline site. As disclosed within note 1, the Company enjoys the support of its immediate parent and the ultimate shareholders and the Company's related party balances are expected to continue to form part of the Company's effective financing structures. The Company therefore believes that it will be in a position to continue to meet its commitments as and when they fall due.

Liquidity is largely managed at group level whereby funds are transferred within the group as the need arises. The Shoreline group is in the process of reviewing its financing arrangements to ensure that it is in a position to meet its short-term operational and cash flow commitments. As disclosed in note 22, in a prior year the Company raised funds through an issue of bonds on the Maltese Stock Exchange.

The following maturity analysis shows the remaining contractual maturities using the contractual undiscounted cash flows on the basis of the earliest date on which the Company can be required to pay. The analysis includes both interest and principal cash flows.

5. Financial risk management (continued)

Liquidity risk (continued)

	On demand or within 1 year EUR	2-3 years EUR	4-5 years EUR	6-7 years EUR	8 years + EUR	Total EUR
2025						
Non-derivative financial liabilities						
Non-interest bearing	**17,248,976**	**237,000**	**-**	**-**	**10,000**	**17,495,976**
Fixed rate instruments	**1,730,000**	**16,900,000**	**2,340,000**	**2,340,000**	**27,170,000**	**50,480,000**
Lease liabilities	**155,784**	**-**	**-**	**-**	**-**	**155,784**
	19,134,760	**17,137,000**	**2,340,000**	**2,340,000**	**27,180,000**	**68,131,760**
2024						
Non-derivative financial liabilities						
Non-interest bearing	24,946,582	61,850	162,250	140,000	-	25,310,682
Fixed rate instruments	1,730,000	17,460,000	2,340,000	2,340,000	28,340,000	52,210,000
Lease liabilities	151,228	-	-	-	-	151,228
	26,827,810	17,521,850	2,502,250	2,480,000	28,340,000	77,671,910

Changes in liabilities arising from financing activities

	1 July 2024 EUR	Other movement EUR	Cash advanced EUR	30 June 2025 EUR
Lease liabilities	**148,013**	**3,764**	**-**	**151,777**
Current non-interest bearing related party financing	**22,397,461**	**(8,753,174)**	**2,492,013**	**16,136,300**
Debt securities in issue	**39,582,991**	**72,598**	**-**	**39,655,589**
	62,128,465	**(8,676,812)**	**2,492,013**	**55,943,666**

	1 July 2023 EUR	Other movement EUR	Cash advanced EUR	30 June 2024 EUR
Lease liabilities	148,448	-	(435)	148,013
Current non interest bearing related party financing	6,095,591	13,322,898	2,978,972	22,397,461
Debt securities in issue	39,511,857	71,134	-	39,582,991
	45,755,896	13,394,032	2,978,537	62,128,465

Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, which includes debt securities in the amount of *EUR39,655,589*, as disclosed in note 22, net of cash and cash equivalents in the amount of *EUR385,912*, as disclosed in note 25 and items presented within equity in the statement of financial position.

5. Financial risk management (continued)

Capital risk management (continued)

As at 30 June 2025, the Company has debt securities of *EUR14,000,000* maturing on 1 August 2026. As disclosed within note 1, the Company intends to refinance this debt through a combination of financial support from related group companies, including its parent company and ultimate parent company, and through the potential rollover of the existing bond. Discussions with financial institutions and the current bond sponsors are ongoing and management believes that sufficient funding will be secured prior to the maturity date.

The Company's Directors manage the Company's capital structure and make adjustments to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis. Based on recommendations of the Directors, the Company balances its overall capital structure through the payments of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

6. Initial Application of an International Financial Reporting Standard and International Financial Reporting Standards in Issue but not yet Effective

New and amended IFRS Standards that are effective for the current year

In the current year, the Company has applied new and amended IFRS Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in EU for an accounting period that begins on or after 1 July 2024.

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.
- Amendments to IAS 1 Presentation of Financial Statements:
    1. Classification of Liabilities as Current or Non-current
    2. Classification of Non-current liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Agreements.

The adoption of new and amended standards did not have a material impact on the Company's financial statements.

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

At the date of the authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Company.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective for financial years beginning on or after 1 January 2025)

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for financial years beginning on or after 1 January 2026)

- Contracts Referencing Nature - dependent Electricity - Amendments to IFRS 9 and IFRS 7 (effective for financial years beginning on or after 1 January 2026).

6. Initial Application of an International Financial Reporting Standard and International Financial Reporting Standards in Issue but not yet Effective (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company (continued)

- Annual Improvements Volume 11 (issued on 18 July 2024).

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027) Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Company does not expect this standard to have an impact on its operations or financial statements.

Standards, amendments and interpretations to published standards that are not yet endorsed by the EU

- IFRS 18: Presentation and Disclosure in Financial Statements (issued on 09 April 2024).

The Company has not early adopted all these revisions to the requirements of IFRSs and the Company's management is 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.

7. Revenue

Revenue consists of the following:

	2025 **EUR**	2024 EUR
Revenue from inventory property	**-**	9,400,000
Rental income	**2,983,241**	927,656
	2,983,241	10,327,656

Rental income is derived from operating lease rental income from its retail tenants at the Shoreline Mall complex. Rental income includes variable rental income of *EUR1,880,822 (2024 – EUR665,158*). Operating lease income is calculated at the base rate per floor area, percentage of turnover or a combination of both.

During the year, the Company did not recognise any sales of inventory property, while in the prior year such sales related to residential car spaces as disclosed further in notes 17 and 27.

8. Property operating expenses and administrative expenses

	2025 **EUR**	2024 EUR
Management fees	**277,287**	58,546
Common area maintenance fees	**275,046**	-
Maintenance fees	**29,438**	28,192
Commissions	**26,100**	41,015
Other expenses	**431**	20,484
Total property operating expenses	**608,302**	148,237

8. Property operating expenses and administrative expenses (continued)

	2025 EUR	2024 EUR
Depreciation and amortisation	**1,881,005**	629,670
Late opening fees	**-**	1,124,850
Professional fees	**114,285**	155,611
Marketing subsidies	**112,772**	-
Employee benefits	**104,149**	194,758
Transactional fees	**48,105**	45,411
Marketing expenses	**42,437**	153,805
Other expenses	**27,365**	26,466
Total administrative expenses	**2,330,118**	2,330,571

For the year ended 30 June 2025, included within the depreciation and amortisation expense amounting to *EUR1,881,005* (*2024 – EUR629,670*) is depreciation on investment property of *EUR1,808,407* (*2024 – EUR605,959*). As outlined in notes 14 and 17, depreciation expense for the current year was higher than in the prior year, as the current year reflects a full year's charge, whereas in the prior year depreciation commenced only from the date of completion.

As explained in note 27, the Company paid Shoreline Management Limited an amount of *EUR725,930 (2024 – EUR58,546)* for management services relating to the operations of the Shoreline Mall as well as common area management, marketing subsidies and certain professional fees.

9. Finance costs

	2025 EUR	2024 EUR
Interest expense	**1,739,587**	578,768

Included within the interest expense is interest on debt securities in issue amounting to *EUR1,730,000* (*2024 – EUR578,632*).

10. (Loss)/profit before tax

The analysis of the amounts that are payable to the auditors and that are required to be disclosed is as follows:

	2025 EUR	2024 EUR
Audit and assurance services	**29,500**	33,500
Other assurance services	**3,500**	3,900
Tax compliance	**950**	610
	33,950	38,010

11. Taxation

	2025 EUR	2024 EUR
Current tax expense	**-**	-
Deferred tax credit	**(618,224)**	(362,397)
	(618,224)	(362,397)

Tax applying the statutory domestic income tax rate and the income tax expense for the year are reconciled as follows:

	2025 EUR	2024 EUR
(Loss)/profit before tax	**(1,683,134)**	1,194,762
Tax at the applicable rate of 35%	**35%**	35%
	(589,097)	418,167
Tax effect of:		
Inventory property profit exempt	**-**	(1,155,239)
Disallowable expenses	**100,926**	37,082
Depreciation on ineligible assets	**368,297**	372,622
Others	**(498,350)**	(35,029)
Income tax for the year	**(618,224)**	(362,397)

Deferred taxation

	Opening balance EUR	Recognised in profit or loss EUR	Closing balance EUR
2025			
Arising on:			
Property, plant and equipment	**(512,055)**	**398,634**	**(113,421)**
Unused capital allowances	**351,518**	**219,458**	**570,976**
Unused tax losses	**524,238**	**-**	**524,238**
Right-of-use assets	**(53,109)**	**(1,185)**	**(54,294)**
Lease liabilities	**51,805**	**1,317**	**53,122**
	362,397	**618,224**	**980,621**
2024			
Arising on:			
Property, plant and equipment	-	(512,055)	(512,055)
Unused capital allowances	-	351,518	351,518
Unused tax losses	-	524,238	524,238
Right-of-use assets	-	(53,109)	(53,109)
Lease liabilities	-	51,805	51,805
	-	362,397	362,397

12. Staff costs and employee information

	2025 EUR	2024 EUR
Staff costs		
Wages and salaries	**24,741**	67,253
Recharged by fellow subsidiary	**49,409**	207,693
	74,150	274,946

The above costs include *EURNil (2024 – EUR98,087)* that are capitalised within the line-item investment property and inventory under construction in note 14 and note 17, respectively.

The average number of employees during the year was made up as follows:

	2025 Number	2024 Number
Operations	**1**	1

13. Key management personnel compensation

	2025 EUR	2024 EUR
Short-term benefits:		
Directors' emoluments	**24,000**	24,000

Other services rendered by Directors, as paid and recorded in a group-related company, as shown below based on an allocation deemed commensurate to the services received by the Company, are as follows:

	2025 EUR	2024 EUR
Directors' emoluments	**-**	7,500
Recharged by fellow subsidiary	**16,552**	59,078
	16,552	66,578

14. Investment property

	Right-of-use assets (land) EUR	Buildings under construction EUR	Buildings EUR	Total EUR
Cost				
At 30 June 2023	7,083,148	51,506,622	-	58,589,770
Additions during the year	-	9,292,516	-	9,292,516
Capitalised interest on lease liabilities	-	3,928	-	3,928
Capitalised finance costs on debt securities in issue	-	1,200,757	-	1,200,757
Transfer from under construction to completed	-	(62,003,823)	62,003,823	-
At 30 June 2024	**7,083,148**	**-**	**62,003,823**	**69,086,971**
Additions during the year	**-**	**-**	**1,715,974**	**1,715,974**
Transfers (note 27)	**-**	**-**	**(636,584)**	**(636,584)**
Deduction of works certified as incomplete	**-**	**-**	**(1,142,735)**	**(1,142,735)**
At 30 June 2025	**7,083,148**	**-**	**61,940,478**	**69,023,626**
Accumulated depreciation				
At 30 June 2023	**-**	**-**	**-**	**-**
Charge for the year	-	-	571,124	571,124
At 30 June 2024	**-**	**-**	**571,124**	**571,124**
Charge for the year	-	-	**1,697,756**	**1,697,756**
At 30 June 2025	**-**	**-**	**2,268,880**	**2,268,880**
Net book value:				
At 30 June 2024	7,083,148	-	61,432,699	68,515,847
At 30 June 2025	**7,083,148**	**-**	**59,671,598**	**66,754,746**

Investment property consists of land costs, planning and studies, architectural, excavation, project management and construction costs relating to the construction of a mall on a portion of land which was sub-leased from Shoreline Residence Limited, a fellow subsidiary, as disclosed in note 21 to the financial statements. Shoreline Contracting Limited, another fellow subsidiary, has been managing all the construction arrangements relating to the construction of the Shoreline Mall project. The Shoreline Shopping Mall was completed and opened its doors to the public in March 2024.

The portion of the right-of-use asset of the leasehold land allocated to the investment property has been arrived at based on a sale and assignment deed that took place between Shoreline Residence Limited and a third party. Following which, a sale and assignment deed was made between Shoreline Residence Limited and the Company. This latter assignment was based on a valuation from a professionally qualified valuer on the basis of market value that reflects transactions close to assignment date for similar properties as adjusted to reflect inputs specific to the property.

14. Investment property (continued)

The carrying amount of the Company's land within investment property includes *EUR7,083,148 (2024 – EUR7,083,148)* in respect of right-of-use assets, representing the Company's temporary emphyteusis of the leasehold land over which the buildings that are also included within investment property are being constructed. The Company, as lessee, has the option to effectively purchase the land by converting the emphyteusis from temporary to perpetual and simultaneously redeeming the perpetual emphyteusis. This option can be exercised at either the completion of construction or 16 January 2025 (being the period of 5 years and nine months from the date of the Agreement between Shoreline Residence Limited and SmartCity (Malta) Limited), whichever occurs the latest. Since the Company expects to have completed construction by not later than 30 June 2026, the lease term was determined to end on this date for the purposes of the requirements of IFRS 16 *Leases*. Upon of such purchase option, the Company will reclassify the carrying amount of right-of-use assets at that date to investment property that is directly owned by the Company.

Management has had clear intention to exercise the purchase option attached to the land lease since inception, as evidenced by the upfront payment made under the lease agreement. In view of this intention and the substance of the arrangement, the right-of-use asset relating to the land is considered to reflect the economic substance of ownership. Accordingly, no depreciation has been recognised on this right-of-use asset, given that also land is not considered a depreciable asset under applicable accounting standards.

Borrowing costs amounting to *EUR Nil (2024 – EUR3,928*) and comprising interest on the lease liabilities were capitalised during the period into the cost of the buildings, based on the borrowing rate of 4%. Further borrowing costs amounting to *EUR Nil (2024 – EUR1,200,757)* and comprising interest on the debt securities in issue were also capitalised into the cost of the buildings up to the completion of the property.

As further described in note 29, due to the legal case with Koray Global Malta Limited, the independent project engineer went through a process to inspect materials and works handed over. During this process, certain works which were previously claimed to have been completed by the contractor, were found to be incomplete. These have been identified as *deduction of works certified as incomplete* within the above table.

During the current year, management has assessed the fair value of the investment property after taking into consideration the discounted cash flows for projected rental income less operating expenses necessary to manage the mall. Based on this assessment, management determined the fair value of the investment property as at 30 June 2025 amounts to *EUR81.53 million* (*2024 – EUR69.6 million*). This fair value measurement is based on an internal valuation and is classified as level 3 measurement within the fair value hierarchy, given that one or more of the significant inputs are not based on observable market data. In estimating the fair value of the investment property, the highest and best use is its current use.

Moreover, the Directors reviewed the carrying amount of the investment property as at 30 June 2025 to evaluate whether events or changes in the condition may indicate that the carrying amount of the investment property may not be recoverable as at balance sheet date. The recoverable amount of the investment property is determined using a discounted cash flow analysis to determine value-in-use, which is based on the following key inputs and assumptions:

- rental income growth rate for the commercial Mall for year 1 was based on the actual growth rate for the current year, 10% for year 2 and 5% from year 3 onwards;
- rental income growth rate for the commercial parking of 2%;
- growth rates used to extrapolate cash flows beyond the forecast period of 2%;

use of 6.5% discount rate to discount the projected cash flows to net present value. Based on the above assessment, the Directors assessed that the carrying amount of investment property is recoverable and there is no impairment in value.

15. Property, plant and equipment

	Electronic equipment EUR	Furniture and fittings EUR	Total EUR
Cost			
At 30 June 2023	-	-	-
Additions for the year	391,992	50,509	442,501
At 30 June 2024	**391,992**	**50,509**	**442,501**
Additions for the year	**5,624**	**2,453**	**8,077**
At 30 June 2025	**397,616**	**52,962**	**450,578**
Accumulated depreciation			
At 30 June 2023	-	-	-
Charge for the year	32,110	1,108	33,218
At 30 June 2024	**32,110**	**1,108**	**33,218**
Charge for the year	**98,956**	**5,235**	**104,191**
At 30 June 2025	**131,066**	**6,343**	**137,409**
Net book value:			
At 30 June 2024	**359,882**	**49,401**	**409,283**
At 30 June 2025	**266,550**	**46,619**	**313,169**

16. Trade and other receivables

	2025	2024
	EUR	EUR
Trade receivables	**194,483**	426,556
Vat receivables	**-**	7,889,401
Deferred lease incentives	**534,986**	130,786
Accrued income	**452,747**	124,428
Prepayments and deposits paid	**657**	8,557
	1,182,873	8,579,728

Trade receivables are unsecured, interest free and are expected to be realised within the normal operating cycle.

Deferred lease incentives of *EUR534,986* (*2024 – EUR130,786*) represent incentives granted to lessees which are recognised by the lessor over the lease term as a reduction of lease income.

17. Inventory under construction

	Right-of-use assets (land) EUR	Buildings EUR	Total EUR
Cost			
At 30 June 2023	**6,071,270**	**5,248,619**	**11,319,889**
Additions during the year	-	781,292	781,292
Disposals during the year (recognised in cost of sales)	(1,011,878)	(5,087,440)	(6,099,318)
Capitalised interest on lease liabilities	-	478	478
Capitalised finance costs on debt securities in issue	-	17,896	17,896
At 30 June 2024	**5,059,392**	**960,845**	**6,020,237**
Additions during the year	**-**	**54,815**	**54,815**
At 30 June 2025	**5,059,392**	**1,015,660**	**6,075,052**

Inventory under construction includes cost of development of residential units and residential parking spaces for sale in the ordinary course of business on a portion of land which was sub-leased from Shoreline Residence Limited, as disclosed in note 21 to the financial statements.

Inventories are expected to be recovered after more than twelve months. This is considered to be the normal operating cycle of the Company.

The residential parking spaces have been committed to Shoreline Residence Limited. In November 2023, a deed was signed between the Company and Shoreline Residence Limited for the sale of these residential parking spaces for a total value of *EUR9,400,000* as mentioned in note 27.

The carrying amount of the Company's land within inventory includes *EUR5,059,392* (*2024 – EUR5,059,392*) in respect of right-of-use assets, representing the Company's temporary emphyteusis of the leasehold land over which the buildings that are also included within inventory are being constructed. The Company, as lessee, has the option to effectively purchase the land by converting the emphyteusis from temporary to perpetual and simultaneously redeeming the perpetual emphyteusis. This option can be exercised at either the completion of construction or 16 January 2025 (being the period of 5 years and nine months from the date of the Agreement between Shoreline Residence Limited and SmartCity (Malta) Limited), whichever occurs the latest. Since the Company expects to have completed construction by not later than 30 June 2026, the lease term was determined to end on this date for the purposes of the requirements of IFRS 16 *Leases*. Upon exercise of such purchase option, the Company will reclassify the carrying amount of right-of-use assets at that date to inventory that is directly owned by the Company.

Management has had clear intention to exercise the purchase option attached to the land lease since inception, as evidenced by the upfront payment made under the lease agreement. In view of this intention and the substance of the arrangement, the right-of-use asset relating to the land is considered to reflect the economic substance of ownership. Accordingly, no depreciation has been recognised on this right-of-use asset, given that also land is not considered a depreciable asset under applicable accounting standards.

17. Inventory under construction (continued)

Borrowing costs amounting to *EURNil* (*2024 – EUR478*) and comprising interest on the lease liabilities were capitalised during the period into the cost of the buildings, based on the borrowing rate of 4%. Further borrowing costs amounting to *EURNil* (*2024 – EUR17,896*) and comprising interest on the debt securities in issue were also capitalised during the period into the cost of the buildings.

18. Amounts due from group companies

	2025 EUR	2024 EUR
Amounts due from related parties	**647,419**	1,033,898

At year end, the Company had an amount due from Shorematrix Limited, a company under common control, amounting to *EUR647,419* (*2024 – EUR1,033,898*). The balance is unsecured, interest-free, denominated in EUR and repayable on demand.

Shorematrix Limited had a net liability position as at year end; however, management considers the amount fully recoverable based on continued financial support from its shareholders.

19. Trade and other payables

	2025 EUR	2024 EUR
Trade payables	**499,710**	1,139,447
Accrued interest	**1,590,869**	1,586,767
Other accruals	**298,184**	1,198,920
Retention creditors	**75,464**	198,754
Vat payable	**94,218**	-
Deposits received	**392,100**	376,100
	2,950,545	4,499,988
Less: long-term deposits received	**(247,000)**	(344,100)
	2,703,545	4,155,888

Long-term deposits represent security deposits received from tenants of the Shoreline Mall which are refundable upon termination of the lease agreement after the “di fermo” period, which exceed 12 months from the end of the reporting period.

Accrued interest amounting to *EUR1,590,869* (*2024 – EUR1,586,767*) represents unpaid interest on debt securities in issue. Whilst other accruals totaling *EUR298,184* (*2024 – EUR1,198,920*) represent liabilities for services received before the reporting date for which invoices had not yet been received.

20. Amounts due to group companies

	2025	2024
	EUR	EUR
Amounts due to group companies	**16,136,300**	22,397,461

Shoreline Contracting Ltd entered into agreements directly with contractors for the development and construction of the Shoreline Mall project. These costs have been financed through group companies as further described in notes 26 and 27.

The amounts due to group companies are unsecured, interest-free, denominated in EUR and the Company has no unconditional right to defer settlement for at least 12 months from the end of the reporting period. The expectation for settlement is 12 months from the date of the statement of financial position.

21. Lease liabilities

Further disclosures are provided in note 14 *Investment Property* and note 17 *Inventory under construction*.

The Company entered into an agreement with Shoreline Residence Limited, in terms of which it leased a plot of undeveloped land under a temporary emphyteusis expiring on 22 April 2106, with the option of effectively purchasing the land upon completion of construction or 16 January 2025, whichever occurs the latest. As disclosed in notes 14 and 17, the Company is reasonably certain of exercising this purchase option by June 2026. As required by IFRS 16 *Leases*, the amount that will be required to exercise this purchase option has been included as a lease payment, and therefore also included within the measurement of the lease liability and corresponding right-of-use asset.

The land that is the subject of the Agreement shall be used solely and exclusively for the construction of the Shoreline Complex. The Company is prohibited from transferring under any title the undeveloped land and / or airspace without first obtaining the consent of SmartCity (Malta) Limited, which consent shall not be withheld if the proposed transferee is an international investor of good repute. The Company shall be entitled to freely transfer by any title the developed Complex, subject to certain terms and conditions.

The lessee's weighted average incremental borrowing rate used to measure the Company's lease liabilities is 4% per annum. All lease obligations are denominated in EUR.

	2025	2024
	EUR	EUR
Present value of lease obligations	**151,777**	148,013
Less: amounts included in current liabilities	**(151,777)**	(148,013)
Amounts included in non-current liabilities	**-**	-

The minimum lease payment, which represents the ground rent payments, amounted to *EUR6,328* (*2024 – EUR6,328*) during the year under review.

In accordance with the Company's accounting policy on depreciation, there is no depreciation charge for the year on right-of-use assets, both for the current and previous year.

The maturity analysis for lease liabilities is disclosed in note 5.

22. Debt securities in issue

	2025 EUR	2024 EUR
Non-current		
Series A Bonds – 4% and Series B Bonds 4.5%	**39,655,589**	39,582,991
Face value of the bonds		
Series A Bonds – 4%	**14,000,000**	14,000,000
Series B Bonds – 4.5%	**26,000,000**	26,000,000
	40,000,000	40,000,000
Issue costs	**(686,251)**	(686,251)
Accumulated amortisation	**341,840**	269,242
Net book amount	**(344,411)**	(417,009)
Amortised cost	**39,655,589**	39,582,991

The Company was approved by the Listing Authority in Malta, on 18 June 2020, for the issuance of *EUR14,000,000* 4% Secured Bonds 2026 (series A Bonds) and *EUR26,000,000* 4.5% Secured Bonds 2032 (series B Bonds). Both series bonds were issued at a nominal value of *EUR100* at par. The bond subscriptions closed in July 2020 with the bonds being fully subscribed with interest payable annually on 1 August, starting from 1 August 2021. The proceeds have been utilised for the development of the project.

A Special Hypothec on the entire carrying amount of the property as classified under investment property and inventory under construction in notes 14 and 17, respectively, was registered in favour of the Security Trustee for the benefit of the Bondholders in accordance with its obligations under Section 4.6.1 of the Securities Note. The Special Hypothec secures the principal amount of the bond still outstanding and accrued interest.

In the event of default, the Security Trustee has the authority to enforce the security constituted by the Special Hypothec and apply the proceeds towards the settlement of principal and interest due to bondholders. The security over the property provides bondholders with a claim on the hypothecated assets up to their realisable value. The recoverable amount ultimately depends on the value obtained upon enforcement of the security.

Upon the occurrence of an Event of Default, the Security Trustee may, and upon request of not less than 75% in nominal value of bondholders must, declare the bonds immediately due and payable together with any accrued interest.

An amount of *EUR1,225,200* 4% Secured Bonds 2026 (Series A Bonds) and *EUR554,800* 4.5% Secured Bonds 2032 (Series B Bonds) was subscribed by a group company at the original subscription date. As of 30 June 2025, the amount of bonds still held by the fellow subsidiary amounted to *EURNil* (*2024 – EURNil*).

23. Share capital

	2025 and 2024		
	Authorised EUR	**Issued EUR**	**Called up and paid EUR**
20,999,999 Ordinary 'A' shares of EUR 1 each	**20,999,999**	**20,999,999**	**18,075,997**
1 Ordinary 'B' share of EUR 1	**1**	**1**	**1**
	21,000,000	**21,000,000**	**18,075,998**

Ordinary 'A' shares shall grant the right of one (1) vote for every share held and are participating shares entitled to receive dividend distributions as deemed fit by the Board of Directors, whereas Ordinary 'B' shares shall not carry any right to receive dividends, shall not be entitled to any assets upon dissolution or winding up of the Company and shall not carry any right to vote at general meetings of the Company, but shall be entitled to receive notice of any general meeting of the Company.

24. Recognised fair value measurements

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where climate risk gives rise to a significant unobservable adjustment.

(ii) Valuation techniques used to determine fair values

Financial assets - fair value assessment of investment property

As detailed in note 14, during the current year, management has assessed the fair value of the investment property after taking into consideration the discounted cash flows for projected rental income less operating expenses necessary to manage the mall. Based on this assessment, management determined the fair value of the investment property as at 30 June 2025 amounts to *EUR81.53 million* (*2024 – EUR69.6 million*). This fair value measurement is based on an internal valuation and is classified as a level 3 measurement within the fair value hierarchy, given that one or more of the significant inputs are not based on observable market data.

24. Recognised fair value measurements (continued)

(ii) Valuation techniques used to determine fair values (continued)

Financial liabilities - debt securities in issue

The fair value of the debt securities in issue amounted to *EUR24,700,000* (*2024 – EUR24,440,000*) for the 4.5% Secured bonds and *EUR14,000,000* (*2024 – EUR13,440,000*) for the 4% Secured bonds and were measured using level 1 of the fair value hierarchy, by referring to the latest traded price in the local market. The financial liabilities in this paragraph exclude lease liabilities.

At 30 June 2025 and 30 June 2024 the carrying amounts of all other financial assets and financial liabilities classified within current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

25. Cash and cash equivalents

(i) Cash and cash equivalents in the statement of cashflows

Cash and cash equivalents included in the statement of cash flows comprise the following amount in the statement of financial position:

	2025	2024
	EUR	EUR
Cash at bank and on hand	**77,227**	211,096

(ii) Restricted cash

	2025	2024
	EUR	EUR
Restricted cash held	**308,685**	-

The Company has restricted cash balances held by at the Courts of Malta due to a garnishee order that was issued against the Company as further detailed in notes 29 and 30.

26. Significant non-cash transactions

Through assignment agreements entered into by the Company with Shoreline Management Limited, an amount of *EUR143,500* which was previously owed to Shoreline Management Limited by a third party, was reassigned to the Company. The amount reassigned was then offset against an amount due by the Company to the same third party.

Through an assignment agreement entered into by the Company with Shoreline Residence Limited, an amount of *EUR381,983* which was previously owed to Shoreline Residence Limited by a third party, was reassigned to the Company. The amount reassigned was then offset against an amount due by the Company to the same third party.

A request for a transfer of credit to Shoreline Contracting Limited for an amount of *EUR7,725,400* was sent to and approved by the Commissioner for tax and customs during the period.

An amount of *EUR159,167* was set-off between related party balances in the current year.

27. Related party disclosures

The parent and ultimate parent companies of Shoreline Mall p.l.c. are Shoreline Holdings Limited and Jade Property Investments Ltd respectively, which are both incorporated in Malta. The registered office of Shoreline Holdings Limited is Suite 407, Level 4, Block SCM01, Smart City Malta, Ricasoli, Kalkara, Malta whilst the registered address of Jade Property Investments Limited is Suite 5 Paolo Court, 13 Giuseppe Cali Street, Ta' Xbiex, Malta.

Shoreline Holdings Limited, the immediate parent prepares consolidated financial statements. Copies of the consolidated financial statements may be obtained from the Malta Business Registry.

The Directors consider the ultimate controlling party to be Ryan Edward Otto who, indirectly, owns *61.82% (2024 – 61.82%)* of the issued share capital of the immediate parent company.

The following transactions occurred with related parties:

	2025	2024
	EUR	EUR
Rental income generated from:		
Shorematrix Limited (note i)	**96,665**	49,460
Shoreline Management Limited (note i)	**51,817**	19,257
Other services:		
Re-charges in connection with the development of the Shoreline Mall project (note ii)	**868,895**	15,666,052
Re-measuring works previously certified (note ii)	**1,142,734**	-
Re-charges of fit-out works to Shorematrix Limited (note iii)	**-**	1,085,805
Transfers made to Shoreline Residence Limited (note iv)	**636,585**	-

	2025	2024
	EUR	EUR
Expenditure incurred with Shoreline Management Limited (note v):		
Management fees	**277,287**	58,546
Common area maintenance fees	**275,046**	-
Marketing subsidies	**112,772**	-
Professional fees	**60,825**	-
	725,930	58,546

As disclosed in note 21, the Company had previously entered into an agreement with Shoreline Residence Limited, in terms of which it leased a plot of undeveloped land under a temporary emphyteusis.

Shoreline Mall p.l.c. has entered into a number of assignment agreements with related parties as further disclosed in note 26.

Key management personnel compensation is disclosed in note 13.

The terms and conditions of the amounts due from/to related parties at year end are disclosed in notes 18 and 20, respectively. The terms and conditions in respect of the related party balances do not specify the nature of the consideration to be provided in settlement. No guarantees have been given or received.

27. Related party disclosures (continued)

In the prior year, the Company sold its residential parking spaces to Shoreline Residence Limited as further described in note 17.

Note i: Included above under rental income are amounts received from Shorematrix Limited of *EUR96,665 (2024 – EUR49,460)* and from Shoreline Management Limited of *EUR51,817 (2024 – EUR19,257)* for the usage of the Gravity and Instamuse store and Mira Mira Kiosk and office space within the Shoreline Mall complex, respectively.

Note ii: During the current and prior periods, fellow subsidiaries and related parties have recharged to Shoreline Mall p.l.c., the costs incurred in connection with the development of the Shoreline Mall project (notes 14 and 17). The total cost of acquiring such assets during the current period amounted to *EUR868,895* (*2024 – EUR15,666,052*).

During the year a fellow subsidiary remeasured works previously certified and where shortfalls were identified, corrective measures were then done. The total cost of the remeasurement corrections that Shoreline Mall p.l.c. received back from the fellow subsidiary amounted to *EUR1,142,734* (*2024 – EURNil*), as disclosed within note 14.

Note iii: The Company incurred and charged costs of *EURNil (2024 – EUR1,085,805)* relating to fit-out works for the Gravity store to Shorematrix Limited.

Note iv: Shoreline Mall p.l.c. transferred *EUR636,585* worth of foundation costs to Shoreline Residence Limited as calculated to be part of their project, as mentioned within note 14.

Note v: The Company paid Shoreline Management Limited an amount of *EUR725,930 (2024 – EUR58,546)* for management services relating to the operations of the Shoreline Mall as well as common area management, marketing subsidies and certain professional fees.

28. Commitments

Operating lease commitments - Company as a lessor

The Company has entered into operating leases on its property portfolio. The commercial property leases typically have lease terms of between 8 and 20 years and include clauses to enable periodic upward revision of the rental charge. Some leases contain options to break before the end of the lease term. Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2025 are, as follows:

	2025 EUR	2024 EUR
Within 1 year	**1,356,286**	748,202
After 1 year, but not more than 2 years	**1,574,713**	985,476
After 2 years, but not more than 3 years	**970,395**	1,178,986
After 3 years, but not more than 4 years	**259,936**	594,364
After 4 years, but not more than 5 years	**30,385**	197,057
More than 5 years	**110,657**	141,042
	4,302,372	3,845,127

28. Commitments (continued)

Capital commitments

	2025 EUR	2024 EUR
Investment property	**270,063**	203,843
Inventory under construction	**242,391**	-
Property, plant and equipment and intangible assets	**5,944**	27,218
Contracted but not provided for	**518,398**	231,061
Investment property	**30,810**	69,009
Inventory under construction	**2,626,461**	3,094,727
Property, plant and equipment and intangible assets	**-**	310,000
Authorised but not contracted for	**2,657,271**	3,473,736

This represents the total estimated capital expenditure, construction, development and other directly attributable costs to complete the inventory under construction and other minor projects within the Shoreline Mall.

29. Contingent liability

Legal proceedings

As at the reporting date, Shoreline Mall p.l.c. is a defendant included in an arbitration case under the International Chamber of Commerce (ICC) rules of arbitration, in relation to a design and build contract between, a fellow subsidiary, Shoreline Contracting Ltd and Koray Global Malta Limited. ICC found prima facie basis for Shoreline Mall p.l.c. to be included in the set proceedings although Shoreline Mall p.l.c. has applied for revocation of being included as it was never contractually a party to the agreement at any time. The arbitration proceedings have commenced, and the amount being sought in the case by Koray Global Malta Limited is *EUR51,023,779*.

Koray Global Malta Limited claims entitlement to an extension of time for works and asserting that the contract was lawfully terminated. They are also seeking various costs related to completed works and variations, retention amounts, omitted works, plant and machinery left on site, loss of profit, and expenses associated with dewatering activities. As of the reporting date, these claims have not been substantiated, and the claimant has not provided a breakdown or justification for the amounts being sought.

As a result of such claims, the independent project engineer went through a process to inspect materials and works handed over for the Shoreline Mall shopping complex. During this process, certain works which were previously claimed to have been completed by the contractor, were found to be incomplete. These have been identified as *deduction of works certified as incomplete* within note 14.

Based on this prima facie inclusion of the Company, a garnishee order that was originally issued to Shoreline Contracting Ltd of *EUR56,357,564*, which was subsequently reduced by the Courts of Malta to an amount of *EUR43,063,874* as mentioned within note 30, was also extended to include the Company and several other group companies in December 2024.

29. Contingent liability (continued)

Legal proceedings (continued)

Due to the early stage of the arbitration process, it is not currently feasible to determine the likely outcome of the case. While management acknowledges the possibility of an economic outflow arising from this matter, it has concluded that, at this stage, it is not feasible to quantify a contingent liability. Accordingly, no provision has been recognised in these financial statements. Management will continue to monitor developments and update its assessment as further information becomes available.

Aside from the above, the Company is currently involved in legal proceedings arising in the ordinary course of business. Management believes that the outcomes of these proceedings will not have a material adverse effect on the Company's financial position, given the insignificant amount of the claims and accordingly no provision has been recognised in the financial statements as at reporting date.

Bonds security

As disclosed within note 22, a Special Hypothec on the entire carrying amount of the property as classified under investment property and inventory under construction in notes 14 and 17, respectively, was registered in favour of the Security Trustee for the benefit of the Bondholders in accordance with its obligations under Section 4.6.1 of the Securities Note. The Special Hypothec secures the principal amount of the bond still outstanding and accrued interest.

30. Events after the end of the reporting year

Garnishee order

In July 2025, the garnishee order, as described in note 29, was reduced by the Courts of Malta to an amount of *EUR43,063,874*. The Company continues to contest this garnishee order as it strongly believes it is not party to the claim.

Arbitration process

As part of the arbitration process highlighted in note 29, in September 2025, Koray Global Malta Limited have submitted their full statement of claim. Shoreline Mall p.l.c., along with its co-defendants, has until December 2025 to file its statement of defence.

Project completion

Although the commercial component of the Shoreline Mall Complex has been completed and is currently in use, finishing works on the residential villas are still ongoing. These units are expected to be placed on the market for sale during the next financial year.

31. Comparative information

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's disclosure format for the purpose of compliance with the IFRSs as adopted by the EU and the requirements of the Companies Act (Cap. 386).

Independent auditors' report
To the Shareholders of Shoreline Mall p.l.c.

Report on the audit of the financial statements

Our Opinion

In our opinion:

- Shoreline Mall p.l.c.'s financial statements give a true and fair view of the Company's financial position as at 30 June 2025, and of the Company's financial performance in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU; and
- the financial statements have been prepared in accordance with the requirements of Maltese Companies Act (Cap. 386).

What we have audited

Shoreline Mall p.l.c.'s financial statements, set out on pages 15 to 47, comprise:

- the statement of financial position as at 30 June 2025;
- the statement of profit or loss and other comprehensive income 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;
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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.

Other Matter

The financial statements for the year ended 30 June 2024 were audited by a different auditor, who expressed an unqualified opinion on 28 October 2024.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession 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 the IESBA Code.

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(1) of the Accountancy Profession Act (Cap. 281).

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 and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. 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.

Evaluation of the Company's ability to continue as a Going Concern

Going concern is a significant area of focus in our audit due to its critical role in determining the basis of preparation of the financial statements and its potential to materially affect users' decisions. Management has the primary responsibility to assess and ensure the appropriateness of the going concern assumption in the preparation of the financial statements. This involves evaluating whether the entity is able to continue its operations for at least 12 months from the reporting date.

The Company's financial statements have been prepared on a going concern basis, which assumes that it will continue to operate for the foreseeable future. The Company is dependent on obtaining financing from its parent company to ensure timely repayment of the upcoming EUR14,000,000 bond redemption due on 1 August 2026. Given the significance of this funding to the Company's operations and the judgement involved in assessing the availability of such financing, we considered this area to be a key audit matter.

Our audit procedures included the following:

- Obtaining an understanding of the entity and its environment, with particular focus on the Company's refinancing options in relation to the upcoming bond redemption scheduled for 1 August 2026. This included reviewing relevant correspondences and management's plans regarding potential refinancing strategies;

- In performing our risk assessment procedures, we evaluated whether there were events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. These included, among others, negative operating cash flows, recurring losses, working capital deficiencies, breaches of covenants, reliance on external financing or related party support, and broader adverse economic or market conditions;

- Assessing management's going concern evaluation by reviewing their cash flow forecasts and financing plans. We tested the reasonableness of the assumptions and underlying data used in the forecasts, including the timing and feasibility of anticipated cash inflows and outflows;

- Discussing with management their plans to address and mitigate these risks, and we evaluated the feasibility and effectiveness of the proposed measures, including the status of negotiations and financing arrangements; and

- Considering the adequacy of the related disclosures in the financial statements, assessing whether these appropriately describe management's assessment of going concern and their plans to finance the upcoming bond repayment.

Key audit matters - continued

Legal Proceedings

As detailed within note 29 to the financial statements, during the year the Company became a defendant in an arbitration case under the ICC rules of arbitration in relation to a design and build contract between, a fellow subsidiary, Shoreline Contracting Ltd and Koray Global Malta Limited. ICC found prima facie basis for the Company to be included in the set proceedings although the Company has applied for revocation of being included as it was never contractually a party to the agreement at any time. The arbitration proceedings have commenced, and the amount being sought in the case by Koray Global Malta Limited is EUR51,023,779.

As of the reporting date, the arbitration process is still at an early stage, and therefore management concluded that it is not currently feasible to determine the likely outcome of this case and thus quantify a contingent liability in the financial statements. The assessment of this matter involves significant judgment and has a material impact on the disclosures provided in the notes to the financial statements.

Our procedures in this area included, amongst others:

- Obtaining an understanding of the nature and status of the legal and regulatory matters involving the Company through discussions with management and by reviewing relevant documentation, including correspondence with external legal counsel and regulatory authorities;

- Evaluating management's assessment of the potential financial impact of these legal matters, including their judgment on the probability and timing of potential outflows of economic resources. Where necessary, we also obtained direct confirmation from the Company's external legal counsel to corroborate management's representations and to assess the completeness and accuracy of disclosures; and

- Assessing whether the related disclosures in the financial statements appropriately describe the nature of the legal contingencies, the potential financial effects, and any related uncertainties to ensure transparency and compliance with the applicable reporting requirements.

Investment Property - Fair Value Disclosure

As at 30 June 2025, the Company held investment property amounting to EUR66,754,746 (2024: EUR68,515,847) which is measured at cost less any subsequent accumulated depreciation and any accumulated impairment losses. The investment property consists of the portion of land relating to the Shoreline project and the capital expenditure directly attributable to the investment property. IAS 40 *Investment Property* requires the disclosure of fair value, even when the investment property is measured at cost.

The Directors determined the fair value of the investment property by applying an income-based valuation approach, which involved discounting expected future cash flows using key assumptions as outlined in note 14.

Given that the disclosure of the investment property's fair value is both quantitatively and qualitatively material to the financial statements, our audit procedures in relation to the Directors' determination of fair value comprised the following:

- Assessing the design and operational effectiveness of controls implemented by the Company over its valuation process;

Key audit matters - continued

Investment Property - Fair Value Disclosure - continued

- Evaluating the appropriateness of the valuation methodology adopted by management, taking into account the nature of the investment property, its intended use, and market conditions prevailing;

- Critically reviewing and challenging the key assumptions and inputs used by management in estimating fair value, such as discount rates, forecast rental income and growth assumptions; and

- Reviewing the adequacy and reliability of supporting documentation, including valuation models, lease agreements, external market data, and other corroborative evidence used in determining fair value.

Further details regarding the basis used by the Directors in determining the fair value of the investment property are disclosed in note 14 to the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises *Directors, officers and other information* on page 1, *Directors' report* on pages 2 to 4, *Statement of Directors' responsibilities* on page 5 and *Statement of corporate governance* on pages 6 to 14 (but does not include the financial statements and our auditors' report thereon).

Except for our opinions on the Directors' report in accordance with the Maltese Companies Act (Cap. 386) and on the Statement of corporate governance in accordance with the Capital Markets Rules issued by the Malta Financial Services Authority, our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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, 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.

With respect to the Directors' report, we also considered whether the Director's report includes the disclosure requirements of Article 177 of the Companies (Cap. 386), and the statement required by Rule 5.62 of the Capital Markets Rules on the Company's ability to continue as a going concern.

Responsibilities of the Directors 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 requirement 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.

Responsibilities of the Directors for the financial statements - continued

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.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

This report, including the opinions set out herein, has been prepared for the Company's members as a body in accordance with Articles 179, 179A and 179B of the Companies Act (Cap. 386).

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions in accordance with Articles 179, 179A and 179B of the Companies Act (Cap. 386). 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.

In terms of Article 179A(4) of the Maltese Companies Act (Cap. 386), the scope of our audit does not include assurance on the future viability of the Company or on the efficiency or effectiveness with which the Directors have conducted or will conduct the affairs of the Company. The financial position of the Company may improve, deteriorate, or otherwise be subject to change as a consequence of decisions taken, or to be taken, by the management thereof, or may be impacted by events occurring after the date of this opinion, including, but not limited to, events of force majeure.

As such, our audit report on the Company's historical financial statements is not intended to facilitate or enable, nor is it suitable for, reliance by any person, in the creation of any projections or predictions, with respect to the future financial health and viability of the Company, and cannot therefore be utilised or relied upon for the purpose of decisions regarding investment in, or otherwise dealing with (including but not limited to the extension of credit), the Company. Any decision-making in this respect should be formulated on the basis of a separate analysis, specifically intended to evaluate the prospects of the Company and to identify any facts or circumstances that may be materially relevant thereto.

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

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

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

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

Auditors' responsibilities for the audit of the financial statements - continued

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

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

For the avoidance of doubt, any conclusions concerning the adequacy of the capital structure of the Company, including the formulation of a view as to the manner in which financial risk is distributed between shareholders and/or creditors cannot be reached on the basis of these financial statements alone and must necessarily be based on a broader analysis supported by additional information.

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

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

Report on any 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 Shoreline Mall p.l.c. for the year ended 30 June 2025, entirely prepared in a single electronic reporting format.

Solely for the purposes of our reasonable assurance report on the compliance of the Annual Financial Report with the requirements of ESEF RTS, the Annual Financial Report comprises the General Company information, the Directors' report, the Statement of Directors' responsibilities, the Statement of corporate governance, the Annual Financial Statements, the prescribed disclosures of material contracts and the Independent Auditors' Report, as set out in Capital Markets Rules 5.55.

Report on any other legal and regulatory requirements - continued

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 - continued

Where the Annual Financial Report does not include consolidated financial statements, compliance with the ESEF RTS solely requires the preparation of an Annual Financial Report in XHTML format.

Responsibilities of the Directors for the Annual Financial Report

The Directors are responsible for:

- The preparation and publication of the Annual Financial Report, including the financial statements, in XHTML format as required by Capital Markets Rule 5.56A;
- Designing, implementing, and maintaining internal controls relevant to the preparation of the Annual Financial Report in XHTML format, that is free from material misstatement, whether due to fraud or error; and
- Consequently, for ensuring the accurate transfer of the information in the Annual Financial Report into a single electronic reporting format.

Auditors' responsibilities for the Reasonable Assurance Engagement

Our responsibility is to obtain reasonable assurance about whether the Annual Financial Report, including the financial statements, complies in all material respects, in XHTML format, 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.

The procedures we performed, including the assessment of the risks that the Annual Financial Report is not prepared, in all material aspects, in XHTML format, whether due to fraud or error, were based on our professional judgement and included:

- Obtaining an understanding of the Company's internal controls relevant to the financial reporting process, including the preparation of the Annual Financial Report in XHTML format, but not for the purpose of expressing an assurance opinion on the effectiveness of those controls.
- Examining whether the Annual Financial Report has been prepared, in all material aspects, in XHTML format.

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

Reasonable Assurance Opinion

In our opinion, the Annual Financial Report for the year ended 30 June 2025 has been prepared, in all material aspects, in XHTML format.

This reasonable assurance opinion only covers the transfer of the information in the Annual Financial Report into XHTML format as required by the ESEF RTS, and therefore does not cover the information contained in the Annual Financial Report.

Report on any other legal and regulatory requirements - continued

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 - continued

Other reporting requirements

The *Annual Financial Report and Financial Statements for the year ended 30 June 2025* 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 Annual Financial Report and Financial Statements for the year ended 30 June 2025 and the related Directors' responsibilities	Our responsibilities	Our reporting
Directors' report 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.	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. We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements. 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.	In our opinion: • the information given in the Directors' report on pages 2 to 4 for the financial year for which the financial statements are prepared, is consistent with the financial statements; and • the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386). We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the *Other information* section.

Report on any other legal and regulatory requirements - continued

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 - continued

Other reporting requirements - continued

Statement of corporate governance
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.

Our responsibility is laid down by Rule 5.98 of the Capital Markets Rules, which requires us to include a report to shareholders on the Statement of corporate governance in the Company's Annual Financial Report.

We are required to report on the Statement of corporate governance 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.

We are also required to assess whether the Statement of corporate governance includes all the other information required to be presented as per Capital Markets Rule 5.97.

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

In our opinion, the Statement of corporate governance on pages 6 to 14 has been properly prepared in accordance with the requirements of the Capital Markets Rules issued by the Malta Financial Services Authority.

We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the *Other information* section.

Other matters on which we are required to report by exception

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

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.

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

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.

Audit tenure

We were first appointed by the members of the Company to as statutory auditors of the Company on 4 April 2025, for the financial year ended 30 June 2025. The period of total uninterrupted engagement as statutory auditors covers 1 financial period.

Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee in accordance with the provisions of Article 11 of the EU Audit Regulation No. 537/2014.

Christian Gravina
Director
For and on behalf of
GCS Assurance Malta Limited
Registered auditor

Agora Business Centre, Level 2
Valley Road
Msida, MSD 9020
Malta

30 October 2025