

Plaza Centres p.l.c.

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Half-Yearly Report for the period ended 30 June 2020

The following Half-Yearly Report is being published pursuant to the terms of Chapter 5 of the Malta Financial Services Authority Listing Rules. The condensed interim financial information has been extracted from the group's unaudited financial statements for the six months ended 30 June 2020. The financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. The accounting policies used in the preparation of the Half-Yearly Report are consistent with those used in the annual financial statements for the year ended 31 December 2019. This Half-Yearly Report has not been audited nor reviewed by the company's independent auditors.

Interim Directors' report

The Directors hereby present the company's financial results for the six months ending 30 June 2020.

Principal activities

The Group's principal activity, which is unchanged since last year, is to lease, manage and market the Plaza Shopping and Commercial Centre (owned by the Parent Company) and the Tigne Place Commercial Property (owned by the subsidiary, Tigne Place Limited).

However, as previously announced, Tigne Place Limited has received an offer to sell Tigne Place and after due consideration by the Board of Directors the offer was accepted and a promise of sale was entered into last December. The final deed was scheduled to take place by the end of June and a deposit has been received in line with the promise of sale agreement. However, the execution of the promise of sale was extended following changes in law due to the COVID 19 pandemic.

Group Financial results

Further to the Company's announcement dated 27th April 2020, the Group's results as at 30th June 2020 were significantly impacted by COVID-19. During the first six months of the year, the Group generated revenue of €1,444,798 (2019: €1,716,479) a decrease of 15.83%, whilst EBITDA decreased by 24.61% to €1,058,751 (2019: €1,404,290). Profit before tax decreased by 35.45% to €609,687 (2019: €944,522). The Group's occupancy at 30 June 2020 was 93% (30 June 2019: 87%). During this period, Plaza had to take commercial decisions which negatively impacted its revenues, costs and hence profitability, in the form of lower rents and absorbing a higher percentage of common area costs. Furthermore, an increase of €72,900 in the general provision for doubtful debts has been recognised.

While the Board notes the positive albeit gradual impact resulting from the lifting of the main COVID-19 restrictions, the general subdued economic activity is expected to persist for a longer period of time. Furthermore, in the absence of a coronavirus cure or vaccine uncertainty will continue to prevail. The Group had prepared different COVID-19 stress scenarios to assess the potential impact on the Group's financial results and cashflows and to date the actual financial performance registered falls within these assessments. In these circumstances, the Board remains cautious but at the same time confident that the Company's financial situation is sufficiently resilient to navigate through these challenging times.

The Board of Directors does not recommend the payment of an interim dividend (2019: Nil).

Condensed Statements of Financial Position

| | As at 30 June 2020 | As at 31 December 2019 | As at 30 June 2020 | As at 31 December 2019 |
|--|-----------------------|---------------------------|-----------------------|---------------------------|
| | Group | | Company | |
| | € | € | € | € |
| ASSETS | | | | |
| Non current assets - property, plant and equipment | 34,274,798 | 34,094,820 | 34,274,798 | 34,094,820 |
| Other non-current assets | 14,646 | 16,958 | 5,418,091 | 5,420,928 |
| Current assets | 2,926,086 | 1,232,962 | 1,951,155 | 1,873,917 |
| Assets classified as held for sale | 13,504,920 | 13,500,000 | - | - |
| Total assets | 50,720,450 | 48,844,740 | 41,644,044 | 41,389,665 |
| EQUITY AND LIABILITIES | | | | |
| Capital and reserves | 31,884,805 | 31,482,271 | 28,439,083 | 28,189,702 |
| Non-current liabilities | 15,432,185 | 15,445,540 | 12,031,626 | 12,031,510 |
| Current liabilities | 3,403,460 | 1,916,929 | 1,173,335 | 1,168,453 |
| Total liabilities | 18,835,645 | 17,362,469 | 13,204,961 | 13,199,963 |
| Total equity and liabilities | 50,720,450 | 48,844,740 | 41,644,044 | 41,389,665 |

Condensed Income Statements

| | Six months ended 30 June | | | |
|---|--------------------------|------------------|----------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | Group | | Company | |
| | € | € | € | € |
| Revenue | 1,444,798 | 1,716,479 | 1,035,807 | 1,348,788 |
| Marketing, maintenance and administrative costs | (386,047) | (312,189) | (368,722) | (302,488) |
| Operating profit before depreciation | 1,058,751 | 1,404,290 | 667,085 | 1,046,300 |
| Depreciation | (228,463) | (266,978) | (228,458) | (190,731) |
| Operating profit | 830,288 | 1,137,312 | 438,627 | 855,569 |
| Investment and other related income | 831 | 34,951 | 21,824 | 55,951 |
| Net finance costs | (221,432) | (227,741) | (62,977) | (65,208) |
| Profit before tax | 609,687 | 944,522 | 397,474 | 846,312 |
| Tax expense | (207,153) | (243,631) | (148,093) | (197,564) |
| Total comprehensive income | 402,534 | 700,891 | 249,381 | 648,747 |
| Earnings per share (cents) | 1c4 | 2c5 | | |

Condensed Statements of Changes in Equity

| Group | Share capital | Share premium | Revaluation reserve | Retained earnings | Total equity |
|---|------------------|------------------|---------------------|-------------------|-------------------|
| | € | € | € | € | € |
| Balance at 1 January 2019 | 5,648,400 | 3,094,868 | 16,169,315 | 3,122,366 | 28,034,950 |
| Total comprehensive income for the interim period | - | - | 0 | 700,891 | 700,891 |
| Dividends relating to 2018 | - | - | - | (831,115) | (831,115) |
| Balance at 30 June 2019 | 5,648,400 | 3,094,868 | 16,169,315 | 2,992,142 | 27,904,726 |
| Balance at 1 January 2020 | 5,648,400 | 3,094,868 | 19,078,343 | 3,660,660 | 31,482,271 |
| Total comprehensive income for the interim period | - | - | - | 402,534 | 402,534 |
| Balance at 30 June 2020 | 5,648,400 | 3,094,868 | 19,078,343 | 4,063,194 | 31,884,805 |
| Company | Share capital | Share premium | Revaluation reserve | Retained earnings | Total equity |
| | € | € | € | € | € |
| Balance at 1 January 2019 | 5,648,400 | 3,094,868 | 16,022,391 | 3,010,322 | 27,775,981 |
| Total comprehensive income for the interim period | - | - | - | 648,747 | 648,747 |
| Dividends relating to 2018 | - | - | - | (831,115) | (831,115) |
| Balance at 30 June 2019 | 5,648,400 | 3,094,868 | 16,022,391 | 2,827,954 | 27,593,614 |
| Balance at 1 January 2020 | 5,648,400 | 3,094,868 | 16,018,900 | 3,427,534 | 28,189,702 |
| Total comprehensive income for the interim period | - | - | - | 249,381 | 249,381 |
| Balance at 30 June 2020 | 5,648,400 | 3,094,868 | 16,018,900 | 3,676,915 | 28,439,083 |

Condensed Statements of Cash Flows

| | Six months ended 30 June | | | |
|---|--------------------------|----------------|-----------------|------------------|
| | 2020 | | 2019 | |
| | Group | Company | Group | Company |
| | € | € | € | € |
| Net cash generated from operating activities | 923,640 | 478,491 | 750,161 | 513,692 |
| Net cash generated from/ (used in) investing activities | 1,000,152 | (394,407) | 82,520 | 74,630 |
| Net cash used in financing activities | (88,277) | (2,354) | (911,435) | (831,115) |
| Net movement in cash and cash equivalents | 1,835,515 | 81,730 | (78,754) | (242,793) |
| Cash and cash equivalents at beginning of interim period | 330,757 | 302,518 | 218,565 | 46,601 |
| Cash and cash equivalents at end of interim period | 2,166,272 | 384,248 | 139,811 | (196,192) |

Statement Pursuant to Listing Rule 5.75.3 issued by the Listing Authority

We confirm that to the best of our knowledge:

- The condensed interim financial information gives a true and fair view of the financial position of the company as at 30 June 2020, and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union applicable to 'Interim Financial Reporting' (IAS 34);
- The Interim Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



Charles J. Farrugia
Chairman of the Board of Directors
28 July 2020



Etienne Sciberras
Chairman of the Audit Committee