

COMPANY ANNOUNCEMENT

Main Street Complex p.l.c.

**Approval of the Company's Financial Statements
for the financial year ended 31 December 2018
and announcement of forthcoming AGM**

Date of Announcement	8 April 2019
Reference No:	09/2019
In terms of Chapter 5 of the Listing Rules	5.16.4, 5.16.21

QUOTE

During the meeting of the Board of Directors of Main Street Complex p.l.c. (the "Company") held today the 8 April 2019, the Board of Directors of the Company approved the Company's Financial Statements for the financial year ended 31 December 2018 and resolved that they be submitted for the approval of the shareholders at the Company's forthcoming Annual General Meeting.

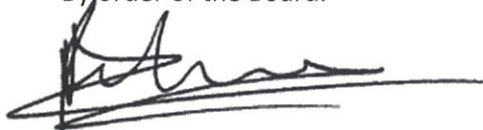
A preliminary statement of annual results for the financial year ended 31 December 2018, extracted from the annual report and financial statements for the year ended 31 December 2018, which have been audited by PricewaterhouseCoopers, is attached to the present company announcement.

The Directors of the Company have also resolved to recommend to shareholders the payment of a final net dividend of €190,163 or €0.00981 per share (having a nominal value of €0.10 per share). The final net dividend will be paid on 22 May 2019 to the shareholders of the Company appearing on the Company's register of members maintained at the Central Securities Depository of the Malta Stock Exchange as at close of business on 17 April 2019.

The Directors have also scheduled the Annual General Meeting of the Company for 17 May 2019 at 17:00 hours. Shareholders on the register of members at the Central Securities Depository as at close of business on 17 April 2019 shall be eligible to receive notice, attend, and vote at the Annual General Meeting and to receive a copy of the Annual Report.

UNQUOTE

By order of the Board.



Dr Malcolm Falzon
Company Secretary

Review of the company's operations

The year 2018 was characterised by the floating of the company on the Malta Stock Exchange and as expected, the company has been through a variety of changes and developments. To name a few, the Board composition has seen the resignation of four of the previous directors, the appointment of three independent non-executive Directors and the appointment of a new company secretary. The newly constituted Board reflects a profile of entrepreneurship and expertise in various sectors, including business development, retail, marketing, management, business advisory, legal, banking and auditing amongst others. Needless to say, the company has also seen significant changes on the corporate governance side with the constitution of the audit committee and of the nominations committee, as well as sub-committees which support the Board.

Throughout the year Main Street Complex retained 94% occupancy. The completion of the civil works on Pjazza Antoine de Paule, ongoing management and marketing initiatives as well as the enthusiasm of the retail tenants, contributed to attracting a record number of visitors and shoppers to the shopping complex. After having welcomed the ten millionth visitor since the opening of Main Street, this record footfall was yet another remarkable achievement. The installation of solar panels in the final quarter of the year will not only lead to the sale of the energy generated to the grid, but also to affirm the company's credentials in active participation in green initiatives.

The company generated revenues of €742,341 (2017: €734,292) in line with the previous year. Operating expenses remained generally unchanged, however administrative expenses rose primarily as a result of costs related to the company's Stock Exchange listing, while increased depreciation charges reflected capital expenditure incurred during the year. The overall result was a decrease in operating profit to €484,805 in 2018 compared to €526,027 in 2017, as anticipated. This decline was mitigated by lower financial costs amounting to €45,687 (2017: €111,697) due to the full repayment of the company's bank loan facilities, resulting in profits before taxation amounting to €439,371 (2017: €415,944), an increase of 5.6%, in line with expectations.

Inflows resulting from the Initial Public Offering were applied towards the repayment of all bank loan balances and amounts owed to former group companies. This equity transaction elevated the company's Balance Sheet to one with a strong capital base and an enviable debt-free position. The consequent absence of debt servicing and repayment obligations means that while the company can pay out all net distributable profits earned during the year, its cash resources were not depleted since the depreciation charge exceeded its capital expenditure for the year.

An interim net dividend of €121,768 was distributed by the company in September 2018, and the Directors recommend the payment of a final net dividend of €190,163.

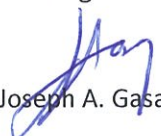
The year 2018 was a positive year for the company with high and sustained tenant occupancy levels, increases in footfall over the previous year, and new initiatives that led to an improved customer experience at the shopping complex. The year 2019 augurs well in view of a robust economic environment, footfall levels that continue to show improvement, the expectation of achievement of full occupancy and further reductions in financial costs.

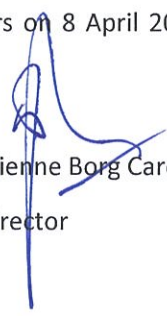
Preliminary statement of results and state of affairs - 31 December 2018

Statement of financial position

	As at 31 December	
	2018	2017
	€	€
ASSETS		
Non-current assets		
Property, plant and equipment	12,990,826	13,000,000
Current assets		
Trade and other receivables	193,415	421,189
Cash and cash equivalents	120,284	17,564
Total current assets	313,699	438,753
Total assets	13,304,525	13,438,753
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	1,938,462	1,395,487
Share premium	2,876,923	-
Revaluation reserve	5,814,177	5,814,177
Retained earnings	1,000,821	830,317
Total equity	11,630,383	8,039,981
Non-current liabilities		
Deferred tax liability	1,284,127	1,284,127
Trade and other payables	-	780,728
Borrowings	-	2,685,952
Total non-current liabilities	1,284,127	4,750,807
Current liabilities		
Borrowings	-	350,274
Trade and other payables	302,056	281,182
Current tax liabilities	87,959	16,509
Total current liabilities	390,015	647,965
Total liabilities	1,674,142	5,398,772
Total equity and liabilities	13,304,525	13,438,753

The financial statements were authorised for issue by the Board of Directors on 8 April 2019 and were signed on its behalf by:


Joseph A. Gasan
Director


Etienne Borg Cardona
Director

Preliminary statement of results and state of affairs - 31 December 2018

Income statement

	Year ended 31 December	
	2018 €	2017 €
Revenue	742,341	734,292
Operating expenses	(81,072)	(81,914)
Depreciation	(99,331)	(88,914)
Administrative expenses	(77,133)	(37,437)
Operating profit	484,805	526,027
Finance costs	(45,687)	(111,697)
Finance income	253	1,614
Profit before tax	439,371	415,944
Tax expense	(127,201)	(85,601)
Profit for the year	312,170	330,343

Statement of comprehensive income

	Year ended 31 December	
	2018 €	2017 €
Profit for the year	312,170	330,343
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss</i>		
- Surplus arising on revaluation of land and buildings	-	1,088,914
- Movement in deferred tax	-	(100,934)
Total other comprehensive income	-	987,980
Total comprehensive income	312,170	1,318,323

Preliminary statement of results and state of affairs - 31 December 2018

Statement of changes in equity

	Share capital €	Share premium €	Revaluation reserve €	Retained earnings €	Total equity €
Balance at 1 January 2017	1,395,487	-	4,826,197	499,974	6,721,658
Comprehensive income					
Profit for the year	-	-	-	330,343	330,343
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
- Surplus arising on revaluation of land and buildings	-	-	1,088,914	-	1,088,914
- Movement in deferred tax on revalued land and buildings determined on the basis applicable to property disposals	-	-	(100,934)	-	(100,934)
Total comprehensive income	-	-	987,980	330,343	1,318,323
Balance at 31 December 2017	1,395,487	-	5,814,177	830,317	8,039,981
Balance at 1 January 2018	1,395,487	-	5,814,177	830,317	8,039,981
Comprehensive income					
Profit for the period	-	-	-	312,170	312,170
Transactions with owners					
Capitalisation of share capital	19,898	-	-	(19,898)	-
Issue of share capital	523,077	2,876,923	-	-	3,400,000
Dividends for 2018	-	-	-	(121,768)	(121,768)
Total transactions with owners	542,975	2,876,923	-	(141,666)	3,278,232
Balance at 31 December 2018	1,938,462	2,876,923	5,814,177	1,000,821	11,630,383

Preliminary statement of results and state of affairs - 31 December 2018

Statement of cash flows

	Year ended 31 December	
	2018	2017
	€	€
Cash flows from operating activities		
Cash generated from operations	724,348	531,068
Interest paid	(45,687)	(111,697)
Interest received	253	1,614
Tax paid	(55,751)	(135,764)
Net cash generated from operating activities	623,163	285,221
Cash flows from financing activities		
Decrease in bank borrowings	(3,036,226)	(350,984)
Proceeds from issuance of share capital	3,400,000	-
Dividends paid	(121,768)	-
Movement in group balances	(677,126)	(68,465)
Movement in related party balances	4,834	93,605
Net cash used in financing activities	(430,286)	(325,844)
Cash flows from investing activities		
Additions to property, plant and equipment	(90,157)	-
Net cash used in investing activities	(90,157)	-
Net movement in cash and cash equivalents	102,720	(40,623)
Cash and cash equivalents at beginning of year	17,564	58,187
Cash and cash equivalents at end of year	120,284	17,564