

Ref: TML 86/2020

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Tigné Mall plc (“the Company”) pursuant to the Listing Rules issued by the Listing Authority.

Quote

The Board of Directors of the Company has today considered and approved the unaudited condensed interim financial statements of the Company for the six months ended 30 June 2020. The said unaudited condensed interim financial statements are attached herewith and are also available for viewing in the Investors Relations section on the Company’s website: www.thepointmalta.com

Unquote



Daniela Fenech
Company Secretary

28th August 2020

TIGNÉ MALL p.l.c.

Condensed interim financial statements (unaudited)
30 June 2020

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Interim directors' report pursuant to Listing Rule 5.75.2

This condensed interim report is published in terms of the Malta Financial Services Authority Listing Rules Chapter 5 and the Prevention of Financial Market Abuse Act, 2005. The interim financial information included in this respect has been extracted from Tigné Mall p.l.c.'s unaudited financial information for the six months ended 30 June 2020 prepared in accordance with IAS 34 'Interim Financial Reporting'. In terms of Listing rule 5.75.5, this interim report has not been audited or reviewed by the company's independent auditors.

Principal activities

The company's principal activity, which is unchanged since last year, is the ownership and management of 'The Point Shopping Mall' and its car park.

Review of the business

The Company's annual financial statements for the year ended 31 December 2019 had been approved by the Company's Board of directors on 20 April 2020 and authorized for issue on that same date. Hence the 2019 Annual report and financial statements had been posted on the Company's website www.thepointmalta.com. However, the Annual General Meeting of the Company, at which meeting the financial statements for the year ended 31 December 2019 are laid before the company for approval by the shareholders, had to be postponed in view of the COVID-19 implications. The Annual General Meeting shall be held remotely on 9 September 2020.

Subsequent to company announcement TML 76/2020, dated 23 March 2020, in the light of the COVID-19 pandemic, The Point Shopping Mall closed for business between the 23 March and 3 May 2020, in line with the directions given by the National Health Authorities to non-essential retailers. As expected, these developments have had a significant impact on the Company's operations during the first six months of 2020 and on the financial results registered during the period, with material adverse impacts on the profitability, cash flows and the financial position of the company.

During the period under review, the company registered a profit after tax of €197,712 (30 June 2019: €1,193,424), a decrease of 83%. The result for the first six months, when compared to the corresponding period in 2019, was mainly impacted by lower rental revenue as a consequence of tenant support initiatives and a decrease in revenue from the operation of the car park.

The Board notes that the lifting of the main COVID-19 restrictions with respect to retail and catering outlets has led to a positive impact on the business. Nevertheless, economic activity in general and consumer confidence remain somewhat muted. This trend is expected to persist to some extent until a cure and / or vaccine for coronavirus is made available. In the prevailing volatility, the Board continues to monitor the situation on an on-going basis and is actively working to ensure that the Company retains as robust a financial position as possible in these unprecedented times. Consequently, the Board of Directors does not recommend payment of an interim dividend.

As disclosed further in Note 5 to these condensed financial statements, in the process of preparing these financial statements, the company's management team has revised and updated the financial projections for the year ending 31 December 2020, which had been prepared ahead of the approval of the 31 December 2019 annual report and financial statements.

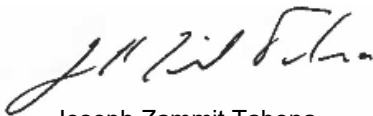
These projections, comprise historical financial information up to the date of authorisation for issue of these condensed financial statements and forecast financial information for the residual period, incorporating the impact of the events referred to above on the projected financial results, cash flows and financial position of the company. Based on the outcome of these cash flow projections, the Directors consider the going concern assumption in the preparation of the company's interim condensed financial statements as

Interim directors' report pursuant to Listing Rule 5.75.2 - continued

Review of the business - continued

appropriate as at the date of authorisation for issue of these financial statements. They also believe that no material uncertainty that may cast significant doubt about the company's ability to continue as a going concern exists as at that date.

On behalf of the board



Joseph Zammit Tabona
Chairman

28 August 2020



David Demarco
Director

Condensed statement of financial position

	As at 30 June 2020 (unaudited) €	31 December 2019 (audited) €
ASSETS		
Non-current assets		
Property, plant and equipment	75,593,913	76,262,627
Right-of-use assets	4,017,187	4,042,513
	79,611,100	80,305,140
Current assets		
Trade and other receivables	2,344,828	2,410,328
Cash and cash equivalents	1,818,820	1,727,290
	4,163,648	4,137,618
	83,774,748	84,442,758
EQUITY		
Capital and reserves	47,846,190	47,648,478
LIABILITIES		
Non-current liabilities		
Trade and other payables	772,178	773,678
Borrowings	14,788,940	14,755,227
Lease liabilities	3,946,702	3,920,144
Deferred tax liabilities	10,404,753	10,431,190
	29,912,573	29,880,239
Current liabilities		
Trade and other payables	3,236,838	3,482,514
Borrowings	1,654,525	2,249,901
Lease liabilities	225,707	225,707
Current tax liabilities	898,915	955,919
	6,015,985	6,914,041
	35,928,558	36,794,280
	83,774,748	84,442,758

The condensed interim financial information on pages 3 to 10 was authorised for issue by the board of directors on 28 August 2020 and was signed on its behalf by:


Joseph Zammit Tabona
Chairman


David Demarco
Director

Condensed statement of comprehensive income

	Six months ended 30 June	
	2020 (unaudited) €	2019 (unaudited) €
Revenue	2,091,776	3,319,061
Cost of sales		
- Depreciation	(920,451)	(886,293)
- Other expenses	(116,919)	(142,048)
Gross profit	1,054,406	2,290,720
Administrative expenses	(233,990)	(263,538)
Operating profit	820,416	2,027,182
Finance income	3,759	5,077
Finance costs	(378,469)	(344,804)
Profit before tax	445,706	1,687,455
Tax expense	(247,994)	(494,031)
Profit for the period – total comprehensive income	197,712	1,193,424
Earnings per share	0.004	0.021

Condensed statement of changes in equity

	Share capital €	Revaluation reserve €	Retained earnings €	Total €
Balance at 1 January 2019	27,766,888	14,470,057	4,350,588	46,587,533
Comprehensive income				
Profit for the period – total comprehensive income	-	-	1,193,424	1,193,424
Transactions with owners				
Dividend paid to shareholders	-	-	(740,675)	(740,675)
Other movements				
Reclassification from revaluation reserve to retained earnings	-	(90,283)	90,283	-
Balance at 30 June 2019	27,766,888	14,379,774	4,893,620	47,040,282
Balance at 1 January 2020	27,766,888	14,289,491	5,592,099	47,648,478
Comprehensive income				
Profit for the period – total comprehensive income	-	-	197,712	197,712
Other movements				
Reclassification from revaluation reserve to retained earnings	-	(90,283)	90,283	-
Balance at 30 June 2020	27,766,888	14,199,208	5,880,094	47,846,190

Condensed statement of cash flows

	Six months ended 30 June	
	2020 (unaudited) €	2019 (unaudited) €
Net cash generated from operating activities	653,193	1,574,335
Net cash used in financing activities	(561,663)	(1,113,334)
Net movement in cash and cash equivalents	91,530	461,001
Cash and cash equivalents at beginning of period	1,727,290	1,312,877
Cash and cash equivalents at end of period	1,818,820	1,773,878

Notes to the condensed interim financial information

1. General information

Tigné Mall p.l.c. is a public limited liability company with its principal activity being to own and manage 'The Point Shopping Mall' and its car park. The company's ordinary shares were admitted to listing on the Malta Stock Exchange on 2 May 2013.

This condensed interim financial information has been extracted from the company's unaudited half yearly financial statements. It has not been subject either to an audit in accordance with the requirements of International Standards on Auditing nor to a review in accordance with the requirements of ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

2. Basis of preparation

The condensed interim financial information for the six month period ended 30 June 2020 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with IFRSs as adopted by the EU.

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2019, as described in those financial statements.

Standards, interpretations and amendments to published standards effective in 2020

In 2020, the company adopted new standards, amendments and interpretations to existing standards that are mandatory for the company's accounting period beginning on 1 January 2020. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the company's accounting policies impacting the company's financial performance and position.

Standards, interpretations and amendments to published standards that are not yet adopted

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the company's accounting periods beginning after 1 January 2020.

The company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU, and the company's Directors are of the opinion that there are no requirements that will have a possible significant impact on the company's financial statements in the period of initial application.

3. Earnings per share

	Six months ended 30 June	
	2020	2019
Net profit attributable to equity holders of the company	€197,712	€1,193,424
Number of ordinary shares in issue	56,400,000	56,400,000
Earnings per share	€0.004	€0.021

4. Fair values of financial instruments

At 30 June 2020 and 31 December 2019 the carrying amount of certain financial instruments, comprising cash at bank, receivables, payables, accrued expenses and short-term borrowings, is equivalent to their fair values in view of the nature of the instruments or their short-term maturity. The fair value of the non-current financial liabilities, comprising borrowings, for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments. The estimated fair value of the company's bank borrowings as at the end of the reporting period is not materially different from the carrying amounts. The current market interest rates utilised for discounting purposes, which were almost equivalent to the respective instruments' contractual interest rates, are deemed observable and accordingly these fair value estimates have been categorised as Level 2.

5. Impact of the COVID-19 pandemic

As communicated in company announcement TML 76/2020, dated 23 March 2020, in the light of the COVID-19 pandemic, The Point Shopping Mall closed for business between the 23 March and the 3 May 2020, in line with the directions issued to non-essential retailers by the National Health Authorities. As expected, these developments have had a significant impact on the Company's operations during the first six months of 2020 and on the financial results registered during the period, with material adverse impacts on the profitability, cash flows and the financial position of the company. In the same announcement, the Board has stated that the situation is unprecedented and the directors and management remain committed to take all necessary actions to mitigate the negative impact that the COVID-19 outbreak could have on the company.

The Board notes that the lifting of the main COVID-19 restrictions with respect to the retail and catering outlets as of the 4th of May 2020 has led to a positive impact on the business. Nevertheless, economic activity in general and consumer confidence remain somewhat muted. This trend is expected to persist to some extent until a cure and / or vaccine for coronavirus is made available. In the prevailing volatility, the Board continues to monitor the situation on an on-going basis and is actively working to ensure that the Company retains as robust a financial position as possible in these unprecedented times.

In the process of preparing these condensed financial statements, the company's management team has revised and updated the financial projections for the year ending 31 December 2020, which had been prepared ahead of the approval of the 31 December 2019 annual report and financial statements.

5. Impact of the COVID-19 pandemic - continued

These projections, comprise historical financial information up to the date of authorisation for issue of these condensed financial statements and forecast financial information for the residual period, incorporating the impact of the events referred to above on the projected financial results, cash flows and financial position of the company. The projected financial information reflects the estimated impact of the stressed conditions currently experienced, under a baseline scenario, which encompasses a set of assumptions that capture the forecast business conditions until 30 June 2021, and a pessimistic scenario, which reflects a more drastic set of assumptions. These assumptions centre around the expected pace of recovery to business to the pre-pandemic level, and the expected revenues earned until such time, considering the long-term contractual arrangements with tenants but also the expected financial situation of the tenants. Under the cash flow projections, utilising the pessimistic scenario, the company, again, is expected to have sufficient liquidity and financial resources to meet its obligations and expected cash outflows also taking into account unutilised banking facilities available to the company and the company's arrangements with bankers in respect of utilised bank facilities. In the circumstances, the company will also not be paying an interim dividend in respect of 2020 results, to preserve the company's liquid resources to enable it to manage the liquidity demands over the coming months in an agile and decisive manner as events unfold. The impact of the expected reduction in revenues and profitability up until the financial period ending 30 June 2021, under the pessimistic scenario, on the fair valuation of the Mall is not material on the basis of an analysis carried out by management, reflecting discounted cash flows for the entire term of the emphyteutical grant.

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

6. Related party transactions

MSV Life plc, HSBC Life Assurance Ltd and Bank of Valletta p.l.c., by virtue of the extent of their shareholding in the company, are considered to be related parties. All companies owned or controlled by these entities, together with all companies forming part of the same groups of companies of which these shareholders form part, are also deemed to be related parties. Tigné Mall p.l.c.'s Directors, close members of their families and all entities owned or controlled by these individuals, are considered to be related parties of Tigné Mall p.l.c.

Principal balances with related parties

	30 June 2020 (unaudited) €	31 December 2019 (audited) €
Bank borrowings:		
Current	1,654,525	2,249,901
Non-current	14,788,940	14,755,227

6. Related party transactions - continued

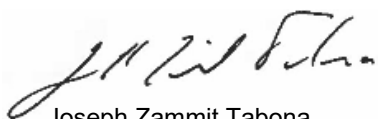
Principal transactions with related parties

	Six months ended 30 June	
	2020 (unaudited) €	2019 (unaudited) €
Bank interest payable	292,749	331,469
Bank charges	590	387
Rental income	5,500	11,376

Directors' Statement pursuant to Listing Rule 5.75.3

We hereby 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 its cash flow for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34, 'Interim Financial Reporting').
- The Interim directors' report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



Joseph Zammit Tabona
Chairman



David Demarco
Director

28 August 2020