TRIDENT
ESTATES PLC

COMPANY ANNOUNCEMENT

*The following is a Company Announcement issued by Trident Estates p.l.c. (the **"Company"**) pursuant to Chapter 5 of the Listing Rules as issued by the Listing Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the Laws of Malta) as they may be amended from time to time.*

Quote

The Board of Directors of Trident Estates plc (the "Company") has on Wednesday, 16th September 2020 approved for publication the unaudited financial statements of the Company for the six months ended 31st July 2020.

A copy of these financial statements inclusive of the Interim Directors' Report as approved is attached herewith and is available to the public on http://tridentestatesplc.com/financial-information/.

Unquote

Kenneth C. Pullicino
Company Secretary

16th September 2020

Company Registration Number: C27157

Trident Estates p.l.c.

Condensed Consolidated Interim Financial Statements

for the period ended 31 July 2020

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Interim Directors' Report

Principal activities

The Group owns and manages property for rental and investment purposes. The current primary focus of the Group is the completion of the Trident Park project as well as marketing and renting out of the property as it nears completion.

Trading performance

For the first six months ended 31 July 2020, the Group recorded revenue of €562,000, as compared to €575,000 in the same period last year. The marginal reduction in revenue has been driven by the discounts granted to tenants on their rents, as a result of the mandatory shutdowns resulting from the COVID-19 pandemic regulations. The majority of the Group's tenants operate in the restaurant sector and were granted rental abatements from 18 March 2020 up to 31 May 2020 to assist with the continuity of their business operations. Beyond the end of May, further rental abatements were extended to a lesser number of tenants whose operations were particularly badly hit by the economic impact of the pandemic. The decrease in rentals arising from the abatement is not fully reflected in the reported results due to the application of the provisions of the accounting standards for the recognition of operating lease income (IAS 17). This standard requires that both income and discounts from leases are to be apportioned over the lifetime of the lease. Hence the impact of such discounts will be reflected over an extended period of time. The full amount of the rental abatement relating to the six-month period to 31 July 2020 amounted to €89,000, out of which €13,000 has been reflected in these accounts. All rental abatements are being granted on a short-term basis and are subject to regular review.

As a result of the reduction in revenue, gross profit decreased to €525,000 (2019: €536,000). Total administrative expenses have been well controlled, increasing marginally to €317,000 (2019: €303,000), primarily due to increased regulatory fees following the rights issue.

The resulting profit before tax has reduced to €117,000 in the current period (2019: €135,000). The disproportionate tax expense of €122,000 results in a marginal net loss of €5,000. The Group nonetheless has sufficient resources to enable it to continue with its operations and investment programme for the foreseeable future.

Trident Park project

After awarding the last two major contracts for the Trident Park project in the previous financial year (mechanical, electrical and plumbing; and finishes), works with these contractors have gathered momentum and are progressing in parallel with the civil works which are now nearing the final stages of completion.

Certain pressures and disruptions have been experienced on the availability of raw materials, human resources and delivery of equipment as a result of the COVID-19 pandemic, and these have caused some delays in the progress of certain works being carried out on site. Nevertheless, the overall progress of works has remained satisfactory, and management and the contractors have been active in deploying the necessary mitigating measures to minimise disruption to the completion programme.

As communicated in the Company's annual report (2019/20), works are expected to be completed by the first half of 2021, provided that there is no further deterioration of the current situation in so far as the availability of labour, raw material and equipment delivery dates are concerned, or as a result of any further restrictions that may be imposed by government regulation, which could further delay the completion date of the project.

Over the current reporting period the Trident Park project has been financed by the funds raised in the rights issue of 2019, without recourse to the use of loan proceeds from the remaining available €26 million facility. It is anticipated that drawdowns from the loan facility will commence later this year once the majority of the rights issue funds would have been expended.

Interim Directors' Report - continued

Trident Park Tenants

During the first six months of the year, the Group has concluded negotiations with a number of tenants and operators of amenities. As announced by the Company at the end of July 2020, Trident Park was selected as the preferred bidder to house the offices for the Financial Intelligence Analysis Unit (FIAU). The total area committed for office use so far stands at 4,462 m^2 out of an available total upon completion of 15,745 m^2. The operators for the gym, wellness areas, restaurant and child-care centre have also been selected.

The Group will be launching its comprehensive marketing campaign for the project in the coming months in its endeavour to continue attracting high quality tenants. In this regard, management is presently in discussions with certain prospective tenants despite the fact that the current adverse economic conditions brought about by the COVID-19 pandemic have caused a number of businesses to delay decisions concerning the relocation of their business operations.

As noted in the 2019/2020 annual report, once completed, the financial outcome of the development will depend on two main factors: the rate at which the property achieves occupancy, and the rental rates and related charges negotiated. Management has reassessed the viability of the business model for Trident Park and stress tested it under different scenarios. The current expectation continues to be that the take up of space will be at a slower pace than that originally projected, and that rental rates will be faced with downward pressure. However, the extent to which this expectation comes to fruition is highly dependent on the timing and outcome of the eventual post-COVID economic recovery.

Management and the Board will continue to examine the various possible outcomes, taking into account any changes in circumstances and will keep the situation under constant review. It remains the Board's belief that the excellent environmental credentials and unique proposition of the project bodes well for the eventual success of Trident Park. The interest in the quality and uniqueness of the project from prospective tenants, as well as the recently signed on tenants and other stakeholders, gives further encouragement to the decision taken by the Board last year to press forward with the expeditious completion of the project.

Dividends

Given the current conditions prevailing as a result of the COVID-19 pandemic, the Board does not deem it prudent to propose an interim dividend at this time. The extent of a final dividend distribution, if any, shall be determined on the basis of the full year results.

By order of the Board

Louis Farrugia

Louis A. Farrugia
Chairman

Vincent Curmi
Vice Chairman

Registered office:
Trident Park
Mdina Road, Zone 2
Central Business District
Birkirkara CBD 2010
Malta

16 September 2020

Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

We hereby confirm that to the best of our knowledge:

- The condensed consolidated interim financial information gives a true and fair view of the financial position of the Group as at 31 July 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 EU applicable to interim Financial reporting (IAS 34); and

- The Interim Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.85.

Louis Farrugia

Louis A. Farrugia
Chairman

Vincent Curmi
Vice Chairman

Condensed Consolidated Statement of Financial Position

	As at 31 July 2020 (unaudited) €'000	As at 31 January 2020 (audited) €'000
ASSETS		
Non-current assets	**55,956**	49,615
Current assets	**10,445**	14,235
Total assets	**66,401**	63,940
EQUITY AND LIABILITIES		
Equity (Page 8)	**52,531**	52,536
Non-current liabilities	**8,429**	8,500
Current liabilities	**5,441**	2,904
Total equity and liabilities	**66,401**	63,940

Condensed Consolidated Income Statement

	Six months ended 31 July	
	2020	2019
	(unaudited)	(unaudited)
	€'000	€'000
Revenue	**562**	575
Direct costs	**(37)**	(39)
Gross profit	**525**	536
Administrative expenses	**(317)**	(303)
Finance costs	**(91)**	(98)
Profit before tax	**117**	135
Tax expense	**(122)**	(123)
(Loss)/Profit for the period	**(5)**	12
(Loss)/Earnings per share (Note 4)	**(0.0001)**	0.0004

Condensed Consolidated Statement of Changes in Equity

	Share capital	Share premium	Fair value gains reserve	Retained earnings	Total equity
	€'000	€'000	€'000	€'000	€'000
Balance at 31 January 2020	**42,000**	**2,833**	**2,936**	**4,767**	**52,536**
Comprehensive income					
Loss for six months ended 31 July 2020	-	-	-	(5)	(5)
Balance at 31 July 2020	**42,000**	**2,833**	**2,936**	**4,762**	**52,531**
Balance at 31 January 2019	30,000	-	2,936	4,893	37,829
Comprehensive income					
Profit for six months ended 31 July 2019	-	-	-	12	12
Transactions with owners					
Dividend declared	-	-	-	(200)	(200)
Balance at 31 July 2019	30,000	-	2,936	4,705	37,641

Condensed Consolidated Statement of Cash Flows

	Six months ended 31 July	
	2020	2019
	(unaudited)	(unaudited)
	€'000	€'000
Net cash generated from operating activities	**161**	144
Net cash used in investing activities	**(4,075)**	(3,005)
Net cash used in financing activities	**(49)**	(138)
Net movement in cash and cash equivalents	**(3,963)**	(2,999)
Cash and cash equivalents at beginning of period	**13,892**	3,838
Cash and cash equivalents at end of period	**9,929**	839

Notes to the Condensed Consolidated Interim Financial Statements

1. This statement is being published pursuant to the terms of Chapter 5 of the Listing Rules and the Prevention of Financial Markets Abuse Act 2005.

2. The financial information contained herein has been extracted from unaudited interim consolidated financial statements for the six months ended 31 July 2020 of Trident Estates plc, prepared in accordance with accounting standards adopted for use in the European Union for reported interim financial information (IAS 34 – Interim Financial Reporting) and as approved by the Board on 16 September 2020. In terms of Listing Rule 5.75.5, this interim report has not been audited by the Group's independent auditors.

3. The condensed interim financial statements for the six months ended 31 July 2020 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 January 2020, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

   Assessment of going concern assumption

   The directors have a reasonable expectation, at the time of approving the condensed consolidated interim financial statements, that the Group has adequate resources to continue in operational existence for the foreseeable future. As detailed in the Annual Report 2019/2020 in the *Outlook for financial year ending 2021 and events after the reporting period* section, the Trident Park project adopts a conservative funding model with a prudent gearing ratio in terms of borrowings. The Group has sufficient liquidity and retains access to bank loan facilities in order to continue funding the project, and the major contracts have been negotiated on a fixed price basis which limits the risk of cost overruns. For this reason, the directors continue to adopt the going concern basis in the preparation of the condensed consolidated interim financial statements.

4. Earnings per share is based on the profit after tax attributable to the ordinary shareholders of Trident Estates plc divided by the adjusted weighted average number of ordinary shares in issue during the period and ranking for dividend.

	Six months ended 31 July	
	2020	2019 (as restated)
(Loss)/Profit for the period (€'000)	**(5)**	12
Weighted average number of ordinary shares in issue (thousands)	**42,000**	33,322
(Loss)/Earnings per share for the period attributable to shareholders	**(€0.0001)**	€0.0004

   Weighted average number of shares in issue and earnings per share for period ended 31 July 2019 have been restated for the effect of the rights issue made during the financial year ended 31 January 2020.

   Basic and diluted EPS equates to the same amount as there are no potentially diluted shares in issue.

Notes to the Condensed Consolidated Interim Financial Statements - continued

5. Property that is held for long-term rental yields or for capital appreciation or both, and is not occupied by the Group, is classified as investment property. Valuations of investment property are reviewed annually. The fair values of the Group's investment property are largely dependent on the income streams generated from said properties, and the rate at which those income streams are discounted.

   The rental concessions and discounts allowed due to COVID-19 have only been maintained on the minority of the Group's leased properties. At this time, the Board does not deem it necessary to re-contract any of the existing leases at lower rental rates, and has elected to extend concessions and discounts in the short term on a case by case basis. The reduction in rental income from existing leases is temporary and is not deemed to have a material impact on the values of investment property or the Group's financial position.

   Management has reviewed the projections and stress tests for the Trident Park project. The property's value is primarily determined by the rate of occupancy, the rental rates achieved from tenants, and the project's timely completion, all of which have come under pressure due to the COVID-19 pandemic. The total area committed for office use thus far stands at 4,462 m^2 out of an available total upon completion of 15,745 m^2. The Company remains on track with delivering the project by the first half of 2021. Furthermore, under the current cash projections and with the information available at hand, the Group is expected to have sufficient financial resources to meet its future obligations.

6. The Board has approved capital expenditure amounting to €50 million, of which €41 million have been contracted, and €18.4 million have been incurred as at the end of the period. These capital commitments relate to the approved investment plan that comprises the construction of the Trident Park project.

7. The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 January 2020.

   Standards, interpretations and amendments to published standards effective during the reporting period

   During the financial year under review, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 February 2020.

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

   Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these condensed consolidated interim financial statements, that are mandatory for the Group's accounting periods beginning after 1 February 2020. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Group's directors are of the opinion that there are no requirements that will have a possible significant impact on the Group's financial statements in the period of initial application.