

MAIN STREET COMPLEX P.L.C.

Condensed interim financial statements
for the period 1 January 2025 to 30 June 2025

	Pages
Directors' report pursuant to Capital Markets rule 5.75.2	1 - 2
Unaudited condensed interim financial statements:	
Condensed interim statement of financial position	3
Condensed interim statement of comprehensive income	4
Condensed interim statement of changes in equity	5
Condensed interim statement of cash flows	6
Notes to the condensed interim financial statements	7 - 11
Statement pursuant to Capital Markets rule 5.75.3	12

Directors' report pursuant to Capital Markets rule 5.75.2

*This half-yearly directors' report is being published in terms of Chapter 5 of the Capital Markets Rules published by the Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The half-yearly report, of which the present directors' report forms part, comprises the unaudited condensed interim financial statements of Main Street Complex p.l.c. (the "**Company**") for the six months ended 30 June 2025 prepared in accordance with International Financial Reporting Standards adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). The comparative statement of financial position has been extracted from the audited financial statements for the year ended 31 December 2024.*

Principal activities

The Company's principal activity, which remained unchanged since last year, is the management and granting of concessions of outlets and spaces in the 'Main Street Complex', as a retail and entertainment complex, featuring four floors of retail outlets, a bar/restaurant and entertainment area and parking facilities in the heart of Paola, Malta, against an agreed annual rate, and in some cases, a fee payable based on a percentage of the Concessionaire's turnover.

Financial results

The Company's revenues decreased by 7% from €363,265 in the first six months of 2024 to €338,578 in the corresponding period in 2025. Occupancy as at 30 June 2025 stood at 90% compared to occupancy of 89.5% as at 30 June 2024, while footfall continued to decline by 21% over 2024 numbers in the first half of 2025.

Expenditure related to the Complex's continued upkeep and cleaning, coupled with the cost-of-living increases on services received, resulted in operating costs increasing by €17,312 over the previous period, up to €70,831 (€53,519 in 2024), which is mainly due to an extraordinary cost of circa €14,600 in connection with the replacement of key components of the industrial chillers. Total administrative expenses were impacted by professional fees incurred during the period in connection with the evaluation of strategic alternatives for the Complex. Other costs remained in line with those reported for the corresponding previous period.

Profit before tax amounted to €141,484 (€197,064 in 2024) and following the payment of dividends of €149,571 in June 2025, accumulated cash balances at the end of the reporting period stood at €463,090. The Company's financial position remains strong with no external borrowing other than normal trade credit, with total equity amounting to €9,462,668 as at 30 June 2025 (€9,522,721 as at 31 December 2024).

The statement of comprehensive income is set out on page 4.

Business overview

As anticipated at the Company's Annual General Meeting held on 11 June 2025, the current year continues to be challenging, with a decline in footfall expected to persist, adversely affecting revenues and profitability. The majority of the Company's concession agreements are set to expire between December 2025 and March 2026, and while negotiations with existing and potential tenants are ongoing, such negotiations are unavoidably interdependent and potentially require reconfiguration of spaces and a change in the business concepts of tenants operating within Main Street Complex.

Business overview – continued

As announced in December 2024, the Board is also exploring alternative strategies aimed at revitalising the Complex and maximising the Company's investment. Efforts in this regard remain ongoing, pursuing alternatives on the basis of evolving market requirements entails additional expert evaluations and recommendations and a longer execution period. Once ongoing and any prospective negotiations are concluded, the Board of Directors will issue an appropriate update to the market.

Dividends

The Board of Directors recommended a net dividend amounting to €149,571 in respect of the year ended 31 December 2024 (2023: €214,001), which was paid on the 18 June 2025.

Having given due consideration to the performance of the Company, the Board of Directors have agreed that no dividend will be paid in respect of the current financial year 2025.

Approved by the Board of Directors on 21 August 2025 and signed on its behalf by:



Joseph A. Gasan
Chairman



Etienne Borg Cardona
Director

Statement of financial position

	As at 30 June	As at 31 December
	2025 € Unaudited	2024 € Audited
ASSETS		
Non-current assets		
Property, plant and equipment	9,946,853	10,000,000
Current assets		
Trade and other receivables	226,364	192,910
Cash and cash equivalents	463,090	559,895
Total current assets	689,454	752,805
Total assets	10,636,307	10,752,805
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	1,938,462	1,938,462
Share premium	2,876,923	2,876,923
Revaluation reserve	3,532,731	3,532,731
Retained earnings	1,114,552	1,174,605
Total equity	9,462,668	9,522,721
Non-current liabilities		
Deferred tax liability	1,000,000	1,000,000
Total non-current liabilities	1,000,000	1,000,000
Current liabilities		
Trade and other payables	114,087	114,257
Current tax liabilities	59,552	115,827
Total current liabilities	173,639	230,084
Total liabilities	1,173,639	1,230,084
Total equity and liabilities	10,636,307	10,752,805

The notes on pages 7 to 11 are an integral part of these condensed interim financial statements.

The condensed interim financial statements on pages 3 to 11 were authorised for issue by the board on 21 August 2025 and were signed on its behalf by:



Joseph A. Gasan
Chairman



Etienne Borg Cardona
Director

Statement of comprehensive income

	Six-months ended 30 June 2025 Unaudited €	Six-months ended 30 June 2024 Unaudited €
Revenue	338,578	363,265
Operating expenses	(70,831)	(53,519)
Depreciation	(54,059)	(51,752)
Administrative expenses	(71,822)	(60,448)
Operating profit	141,866	197,546
Finance costs	(382)	(482)
Profit before tax	141,484	197,064
Tax expense	(51,966)	(55,972)
Profit for the period		
- total comprehensive income	89,518	141,092
Earnings per share	0.005	0.007

The notes on pages 7 to 11 are an integral part of these condensed interim financial statements.

Statement of changes in equity

Unaudited	Share capital €	Share premium €	Revaluation reserve €	Retained earnings €	Total equity €
Balance at 1 January 2024	1,938,462	2,876,923	4,868,958	1,239,035	10,923,378
Comprehensive income					
Profit for the period	-	-	-	141,092	141,092
Transactions with owners					
Dividends paid	-	-	-	(214,001)	(214,001)
Balance at 30 June 2024	1,938,462	2,876,923	4, 868,958	1,166,126	10,850,469
Balance at 1 January 2025	1,938,462	2,876,923	3,532,731	1,174,605	9,522,721
Comprehensive income					
Profit for the period	-	-	-	89,518	89,518
Transactions with owners					
Dividends paid	-	-	-	(149,571)	(149,571)
Balance at 30 June 2025	1,938,462	2,876,923	3,532,731	1,114,552	9,462,668

The notes on pages 7 to 11 are an integral part of these condensed interim financial statements.

Statement of cash flows

	Six-months ended 30 June 2025 Unaudited €	Six-months ended 30 June 2024 Unaudited €
Cash flows from operating activities		
Cash generated from operations	162,301	116,754
Bank charges paid	(382)	(482)
Tax paid	(108,241)	(120,702)
Net cash generated from/(used in) operating activities	53,678	(4,430)
Cash flows from financing activities		
Dividends paid	(149,571)	(214,001)
Movement in related party balances	-	4,870
Net cash used in financing activities	(149,571)	(209,131)
Cash flows from investing activities		
Additions to property, plant and equipment	(912)	(25,360)
Net cash used in investing activities	(912)	(25,360)
Net movement in cash and cash equivalents	(96,805)	(238,921)
Cash and cash equivalents at beginning of period	559,895	750,562
Cash and cash equivalents at end of period	463,090	511,641

The notes on pages 7 to 11 are an integral part of these condensed interim financial statements.

Notes to the interim financial statements

1. Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting, have been extracted from the Company's unaudited accounts for the six months ended 30 June 2025. The half-yearly results are being published in terms of Chapter 5 of the Capital Markets Rules of the Malta Financial Services Authority.

The condensed interim financial statements as at, and for the six-month period ended 30 June 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, "Interim Financial Reporting"). The condensed interim financial statements information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRSs as adopted by the EU. The financial statements of the Company as at, and for the year ended 31 December 2024 are available upon request from the Company's registered office at Main Street Complex, Antoine De Paule Square, Paola, PLA1262, Malta. They are also available for viewing on its website at www.mainstreetcomplex.com.

2. Accounting policies

The accounting policies used in the preparation of the condensed interim financial statements are consistent with those of the annual financial statements of Main Street Complex p.l.c. for the year ended 31 December 2024, as described in those financial statements.

New and amended standards adopted by the Company

A number of amended standards became applicable for the current reporting period. There is no impact on the adoption of these revisions on the Company's accounting policies and on the Company's financial results.

Impact of standards issued but not yet applied by the Company

Certain 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 2025. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU, and the 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. Property, plant and equipment

	Land and buildings including improvements to premises €	Plant, machinery and equipment €	Furniture, fixtures and fittings €	Total €
At 1 January 2024				
Cost or valuation	11,842,869	691,432	382,992	12,917,293
Accumulated depreciation	(477,443)	(607,182)	(361,123)	(1,445,748)
Net book amount	11,365,426	84,250	21,869	11,471,545
Year ended 31 December 2024				
Opening net book value	11,365,426	84,250	21,869	11,471,545
Additions	-	-	110,726	110,726
Depreciation charge	(78,398)	(16,921)	(14,183)	(109,502)
Reversal of part of the revaluation surplus, previously recognised				
- Effect on cost or valuation	(2,028,610)	-	-	(2,028,610)
- Effect on depreciation	555,841	-	-	555,841
Closing net book amount	9,814,259	67,329	118,412	10,000,000
At 31 December 2024				
Cost or valuation	9,814,259	691,432	493,718	10,999,409
Accumulated depreciation	-	(624,103)	(375,306)	(999,409)
Net book amount	9,814,259	67,329	118,412	10,000,000
Period ended 30 June 2025				
Opening net book value	9,814,259	67,329	118,412	10,000,000
Additions	-	-	912	912
Depreciation charge	(42,567)	(4,035)	(7,457)	(54,059)
Closing net book amount	9,771,692	63,294	111,867	9,946,853
At 30 June 2025				
Cost or valuation	9,814,259	691,432	494,630	11,000,321
Accumulated depreciation	(42,567)	(628,138)	(382,763)	(1,053,468)
Net book amount	9,771,692	63,294	111,867	9,946,853

The Company operates Main Street Complex, a fully serviced shopping complex, leasing out of retail space. The extent of the services provided is deemed to be significant to the arrangement with the concessionaires as a whole. The shopping complex, which is made up of all the classes of assets included in property, plant and equipment above, is leased out under operating leases and accordingly is treated as property, plant and equipment under the requirements of IAS 16 rather than investment property under IAS 40.

3. Property, plant and equipment - continued

Fair value of land and buildings

The land and buildings within property, plant and equipment were revalued during the year ended 31 December 2024 by an independent property valuer having appropriate recognised professional qualifications and experience in the location and category of the property being valued. For the purposes of the fair value included within the statement of financial position, the directors have prepared a separate valuation using the same underlying cash flow projections applied by the independent property valuer and making additional prudent assumptions in line with IFRS, and on this basis a reversal of part of the revaluation surplus previously recognised, amounting to €1,472,769, resulted. This reversal was debited to the revaluation reserve, in shareholders' equity, net of applicable deferred tax. The directors are of the opinion that the principal assumptions used reflect a prudent approach and that the carrying amount of the Company's property as at the end of the current financial year, is an appropriate estimate of its fair value.

The Company is required to disclose fair value measurements by level of the following fair value measurement hierarchy for non-financial assets carried at fair value:

- Quoted prices (unadjusted) in active markets for identical assets (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company's recurring fair value measurements are categorised as level 3 as they are based on significant unobservable inputs. The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. During the current financial period there were no transfers between the fair value levels.

A reconciliation from the opening balance to the closing balance of land and buildings for recurring fair value measurements categorised within Level 3 of the value hierarchy, is reflected in the table above. The changes during the period are mainly attributable to additions and depreciation charge.

The Company's land and buildings represent Main Street Complex, and its current use equates to the highest and best use.

Valuation process and techniques

The Company's property is valued on periodic valuation by the directors after seeking professional advice from independent professionally qualified valuers who hold a recognised relevant professional qualification and have the necessary experience in the location and segments of the property being valued.

At the end of every reporting period during which an external valuation is not carried out, the directors also assess whether any significant changes in actual circumstances, income streams, results and developments have been experienced since the last external valuation. An adjustment to the carrying amount of the property is only reflected if it has been determined that there has been a significant change.

The valuation was determined using discounted cash flow projections considering, *inter alia*, the projected future earnings from the Complex, in the main based on current concession agreements, its ongoing maintenance needs, and other relevant market factors. Accordingly, the significant unobservable inputs applied in the Company's valuation are the following:

3. Property, plant and equipment - continued

- Earnings before interest, tax, depreciation and amortisation (EBITDA): which is based on the Company's existing concession income streams less operating costs (before depreciation) which include marketing and maintenance expenses.
- Growth rate, at an average of 2.0% (2024: 2.5%): represents the estimated average growth of the Company's concession income.
- A discount rate of 8.7% (2024: 8.5%) was applied in estimating the net present value of the projected future free cash flows, and a cap rate of 6.7% (2024: 7.0%).

An increase in the EBITDA and the growth rate and/or a decrease in the discount rate, would result in an increase to the fair value of the property. Management carried out a sensitivity analysis and determined that, as an example, a shift of +/-0.5% in the discount rate, which is deemed to be the main key input, would result in a reduction of €318,000 (or 2.2%) or an increase of €333,000 (or 3.4%) in fair value respectively.

4. Commitments

Operating lease commitments - where the Company is the lessor

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	30 June 2025 € Unaudited	31 December 2024 € Audited
Not later than 1 year	436,568	457,539
Later than 1 year and not later than 5 years	557,873	823,153
	994,441	1,280,692

5. Dividends

On 11 June 2025, the Board of Directors approved the payment of a net dividend in respect of the year ended 31 December 2024 amounting to €149,571 (2024: €214,001), which was paid on the 18 June 2025.

6. Related party transactions

The Company has related party relationships with Embassy Limited (its former parent), and all entities ultimately controlled by it are still considered to be related parties, in view of Embassy Limited's interest in the Company. Gasan Group is also considered to be a related party of the Company, in view of the fact that Joseph A. Gasan, the Chairman, is the ultimate controlling party of the Gasan Group. Related entities ultimately controlled by Embassy Limited and Gasan Group, together with the Company's directors ('key management personnel') are also considered to be related parties.

6. Related party transactions - continued

The following principal operating transactions, which were carried out with related parties, have a material effect on the operating results and financial position of the Company:

	Six-months ended 30 June 2025 € Unaudited	Six-months ended 30 June 2024 € Unaudited
Management fees	22,194	21,864

Statement pursuant to Capital Markets Rule 5.75.3

I confirm that to the best of my knowledge:

- the condensed interim financial statements give a true and fair view of the financial position of the Company as at 30 June 2025, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting');
- the interim directors' report includes a fair review of the information required in terms of Capital Markets Rules 5.81 to 5.84.



Joseph A. Gasan
Chairman

21 August 2025