



Main Street Complex  
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## COMPANY ANNOUNCEMENT

### Main Street Complex p.l.c.

#### BUSINESS AND OPERATIONAL UPDATE - 2020 IN REVIEW

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Date of Announcement	17 February, 2021
Reference No:	24/2021
Listing Rule	5.16

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The purpose of this company announcement is to provide shareholders of Main Street Complex p.l.c. (the “**Company**”) and the market with an overview of key aspects of the business of the Company experienced in 2020, and current expectations for 2021.

#### Impact of the Covid-19 pandemic

The Company’s business and operations in 2020 must necessarily be assessed in the context of unprecedented inhibiting factors, being the local outbreak of the Covid-19 pandemic, the measures and resulting restrictions adopted in response thereto, and adversely impacted economic and market conditions. As from March 2020, the Company, together with the tenants operating in the Main Street Complex (the “**Complex**”), have faced, and continue to face, novel challenges in their respective day-to-day operations and business activities. Notwithstanding that the performance of the Company was negatively impacted by the aforesaid, the Board of Directors of the Company notes that key performance indicators show a modest recovery registered in the second half of 2020, as explained in further detail hereunder.

#### Temporary forced closure of the Complex and measures adopted since re-opening

As previously announced by the Company in its company announcement published on the 4<sup>th</sup> May 2020 ([MSC18](#)), as a result of the preventative and containment measures introduced by the public health authorities in an effort to control the spread of Covid-19, the Complex was forced shut for a span of circa six weeks, between 14<sup>th</sup> March 2020 and 3<sup>rd</sup> May 2020.

Since re-opening, the Complex has implemented a number of precautionary measures, including a capping on the number of patrons permissible at any given time, temperature control checks on patrons and staff entering the complex, compulsory use of protective masks, sanitisation, and the application of social distancing measures, in each case in accordance with the protocols and guidelines issued by the public health authorities over the course of the year.

### Footfall

Considered to be a key performance indicator of the Company's operational performance, the following statistics relating to footfall are worthy of note:

- the start of the year mirrored the growth trend recorded in 2019, with an average increase in footfall in the first two months of 2020 of 7% over the corresponding period in 2019;
- with the onset of the Covid-19 pandemic and the imposition of a temporary partial lock-down and subsequent restrictive measures and prohibitions on social or non-essential activities, the remainder of 2020 was characterised by a significant dip in footfall, with a complete absence of footfall during the forced closure period, and an average footfall of 69% (when compared to the corresponding period in 2019) between the months of May 2020 and December 2020;
- since re-opening the Complex, footfall recovery was the highest in December (77%), followed by September (76%).

### Tenants and rental income

The Board of Directors is pleased to relay that throughout 2020 all retail spaces within the Complex remained occupied by sitting tenants, save for one retail space measuring *circa* 70m<sup>2</sup>, which was vacated by its tenant in May 2020. As at the time of publication of this company announcement, this outlet remains vacant. In addition, the entertainment outlet and bingo hall operated in the top floor of the Complex are operating at significantly reduced capacity. The latter has also had a negative impact on the catering establishment operating on the same floor, which apart from reduced customer inflow has been obliged to implement a series of restrictive measures applicable to establishments of that nature.

Since the re-opening of the Complex in May 2020, tenants have reported varying recovery rates, depending principally on the product categories, stock levels and service offerings of such tenants and the changes in consumer demands and preferences experienced over 2020. The best-performing tenants reported recovery rates of around 80% between July and December 2020.

In so far as tenant relations are concerned, the Board of Directors is pleased to note that its decision not to charge rent during the period in which the Complex was forced shut, and to apply substantial discounts for the remainder of 2020, appears to have been vindicated in the abovementioned retention of all but one tenant.

The operation of the car park situated within the Complex was taken over by CT Parks as of November 2020. A barrier system has been introduced, ensuring enhanced internal control measures, as well as greater visibility over the volume of vehicles entering the car park and expectations for improved revenue generation from this particular source.

*Corporate Social Responsibility initiatives*

Notwithstanding the challenges faced in 2020, the Board of Directors was keen to sustain the Company's corporate social responsibility ('CSR') initiatives. Desirous of supporting local talent in the creative arts industry, the Company allocated space within the Complex for local artists to showcase and sell their work, alleviating the cost burden for local artists and providing them with a prominent platform through which to exhibit their work. Furthermore, the Complex supported the embellishment of Paola's main square during the Christmas period.

*Concluding remarks*

The results registered in 2020 are considered by the Board of Directors of the Company to be an exception to the positive trends and growth experienced over the preceding years, driven by the dampened market and economic conditions that transpired and evolved over the course of 2020.

Appreciating that the situation remains in a state of flux and constant evolvment, the Board of Directors will, with management's support, continue to closely monitor the situation, and keep the market informed of material developments.

**UNQUOTE**

By order of the Board.



**Dr Malcolm Falzon**  
Company Secretary