New Frontier Properties Ltd
(Incorporated in the Republic of Mauritius on 5 June 2014)
(Registration number 123368C1/GBL)
SEM share code: NFP.N000
JSE share code: NFP
ISIN: MU0453N00004
("**New Frontier**" or "**the Company**" or "**the Group**")

SUMMARISED UNAUDITED CONSOLIDATED RESULTS FOR THE THREE MONTHS AND SIX MONTHS ENDED 29 FEBRUARY 2020

The Company was established in Mauritius as a public company limited by shares holding a Global Business Licence. The Company has primary listings on the Official Market of the Stock Exchange of Mauritius Ltd ("**SEM**") and the Alternative Exchange ("**AltX**") of the JSE Limited ("the **JSE**"). The primary objective of the Company is to acquire good quality, income-generating retail and logistics/warehouse property assets in the United Kingdom ("**UK**") and mainland Europe.

REPORTING CURRENCY

The Group's results are reported in pounds sterling ("**GBP**").

FINANCIAL RESULTS

The Group results are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The profit after taxation for the 6 months period ended 29 February 2020 ("**Q2**") was GBP 6.895 million (2019: loss of GBP 11.418 million). The Group's loss after taxation for the 3 months period ended 29 February 2020 was GBP 1.584 million (2019: profit of GBP 0,459 million).

The profit after taxation for Q2 is primarily due to the gain recognised following the sale of Houndshill Shopping Centre, Blackpool and associated liquidation of that part of the Group structure.

There is no related party information that is material to an understanding of these results.

No dividend declaration has been made for the period under review.

BUSINESS REVIEW

Retail sector overview

The impact of COVID-19 did not directly affect the 6 months ended 29 February 2020, however, the general trend of falling rent levels was continuing prior to the outbreak. Brexit, lack of consumer confidence and retailers' poor trading figures coupled with the growth in on-line shopping had a significant impact on the two centres owned by the group.

Following the announcement of lockdown by the UK government, the Group's shopping centres are only open for essential shopping. Footfall has therefore fallen to extremely low levels and rent collection at the end of March was reduced to approximately 50% of the invoiced level.

There is a moratorium on landlords taking enforcement action against tenants at this time so that it is difficult to assess the longer-term impact that this situation will have on trading performance of the shopping centres and the retailers trading from them.

Centre activity, letting and lease renewals
As at 29 February 2020, the centres at Middlesbrough and Burton upon Trent have seen falls in combined occupancy to 92.81% (November 2019: 95.53%) by Estimated Rental Value and to 93.01% (November 2019: 94.16%) by Gross Lettable Area. This expected fall has been primarily driven by the unwinding of temporary lettings following the Christmas period. Over the period five core leases were also completed.

Property disposal
On 19 February 2020 the Group announced that Burton Shopping Centre Limited, a wholly-owned subsidiary of New Frontier and, a third-party purchaser, Burton Corporate Limited, had exchanged contracts for the freehold sale of the Primark unit located in the Cooper Square Shopping Centre, Burton upon Trent to the purchaser for a consideration of GBP 6 700 000.00. The purchase consideration for the property will be paid in cash, with the proceeds of the transaction being used to reduce outstanding bank debt. This is in line with New Frontier's strategy to dispose of property to comply with the terms of the Group's loan facility which requires a GBP 5 600 000.00 repayment by 30 July 2020.

The transaction which will be concluded by a way of a transfer of the freehold title, constitutes an undertaking in the ordinary course of business of New Frontier and therefore does not fall under the scope of Chapter 13 of the SEM Listing Rules. However, since this amounts to a Category 1 transaction per JSE Listings Requirements it is conditional upon the approval of New Frontier shareholders in a special general meeting. A circular to shareholders is in the process of being prepared but is also delayed due to the impact of Covid-19.

FUNDING
HSBC continues to trap the free rental cashflow from the two centres, although it currently continues to release funds for the Group's operating expenses and a limited amount of capital expenditure to support letting activity at the shopping centres. Meanwhile, surplus funds generated will be used to reduce the balance outstanding on the loans.

STRATEGY
After disposing of the Houndshill centre in Blackpool via a foreclosure by Deutsche Pfandbriefbank Bank, the Group's remaining assets are the two centres in Burton upon Trent and Middlesbrough. Given the current loan agreements with HSBC and the general economic climate exacerbated by the COVID-19 pandemic, forward planning is challenging. Despite the aforesaid, the directors are very firm in their intention of holding on to all or most of the properties and use the net revenue streams as base from which to expand the portfolio in the UK but also abroad. It is also the firm intention to recapitalise the Group by settling the loan with HSBC and to secure additional capital via share issues for cash and or in exchange for properties.

BASIS OF PREPARATION
These summarised unaudited consolidated results for the three and six-month periods ended 29 February 2020 have been prepared in accordance with IFRS, including IAS 34 – Interim Financial Reporting, the SEM Listing Rules, the Securities Act 2005 of Mauritius and the JSE Listings Requirements to the extent required. The accounting policies are in accordance with IFRS and are consistent with those applied in the annual audited financial statements for the year ended 31 August 2019. These results have been prepared under the supervision of Mr Andreas Ritzlmayr CA(SA).

The board of directors consider that whilst the Group has the support of its lender, it can service its obligations in the normal course of business and will continue as a going concern.

These financial statements have not been reviewed or reported on by the Company's external auditors.

SEGMENTAL INFORMATION

The Group derives its revenue from the single business activity of property investment and is active in a single segment being UK Shopping Centres.

STATEMENT OF FINANCIAL POSITION AT 29 FEBRUARY 2020

	THE GROUP		
	Unaudited 29 February 2020 GBP 000	Unaudited 28 February 2019 GBP 000	Audited 31 August 2019 GBP 000
ASSETS			
Non-current assets			
Property, plant and equipment	**4**	14	13
Investment property	**66 148**	172 977	68 593
Derivative financial instrument	**-**	688	149
	66 152	173 679	68 755
Current assets			
Trade and other receivables	**4 086**	4 958	3 583
Cash and cash equivalents	**1 647**	4 299	2 344
	5 733	9 257	5 927
Non-current assets classified as held for sale	**-**	7 873	47 514
Total assets	**71 885**	190 809	122 196
EQUITY			
Capital and reserves *(attributable to owners of the parent)*			
Share capital	**47 136**	47 136	47 136
Hedging reserve	**-**	(734)	(678)
Accumulated losses	**(83 613)**	(34 105)	(90 657)
Total shareholders' deficit/ equity	**(36 477)**	12 297	(44 199)
LIABILITIES			
Non-current liabilities			
Borrowings	**78 986**	10 751	-
Current liabilities			
Borrowings	**25 600**	4 033	162 280
Trade and other payables	**3 411**	163 728	4 115
Income tax payable	**365**	-	-
	29 376	167 761	166 395
Total liabilities	**108 362**	178 512	166 395
Total equity and liabilities	**71 885**	190 809	122 196

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR QUARTER AND HALF YEAR ENDED 29 FEBRUARY 2020

	THE GROUP			
	Unaudited	Unaudited	**Unaudited**	Unaudited
	For the 6 months ended 29 February 2020	For the 6 months ended 28 February 2019	**For the 3 months ended 29 February 2020**	For the 3 months ended 28 February 2019
	GBP 000	GBP 000	**GBP 000**	GBP 000
Rental income	**6 117**	7 623	**2 345**	3 905
Expenses				
Operating expenses	**(1 189)**	(2 044)	**(513)**	(1 120)
Administrative expenses	**(541)**	(1)	**(328)**	79
(Loss)/ gain on disposal of investment	**(378)**	-	**222**	-
Gain on liquidation of subsidiary	**8 750**	-	-	-
Fair value loss on investment property	**(1 776)**	(12 518)	**(1 847)**	(96)
	10 983	(6 940)	**(121)**	2 868
Finance costs	**(3 615)**	(3 855)	**(1 363)**	(1 872)
Movement in foreign exchange	**4**	-	**3**	6
Other income	**-**	2	-	2
Profit/ (loss) before taxation	**7 372**	(10 793)	**(1 481)**	1 004
Taxation	**(302)**	(358)	**(102)**	(170)
Profit/ (loss) for the period from continuing operations	**7 070**	(11 151)	**(1 583)**	834
Post-tax (loss)/profit for the period from discontinued operations	**(26)**	148	**(1)**	40
Profit/ (loss) for the period - all operations	**7 044**	(11 003)	**(1 584)**	874
Other comprehensive loss for the period	**(149)**	(415)	**-**	(415)
Total comprehensive income/(loss) for the period	**6 895**	(11 418)	**(1 584)**	459
Earnings per share				
Basic earnings/(loss) per share (GBP)	**0.044**	(0.068)	**(0.010)**	0.005
Headline earnings per share (GBP)	**0.055**	0.009	**0.002**	0.006

STATEMENTS OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 29 FEBRUARY 2020

	Share Capital GBP 000	Hedging reserve GBP 000	Accumulated Losses GBP 000	Total GBP 000
THE GROUP				
Balance at 1 September 2019	47 136	(678)	(90 657)	(44 199)
Profit for the period	-	-	7 044	7 044
Other comprehensive income for the period				
Cash flow hedge reserve	-	(149)	-	(149)
Amortisation of historic cash flow hedge reserve	-	827	-	827
Balance at 29 February 2020	**47 136**	**-**	**(83 613)**	**(36 477)**
Balance at 1 September 2018 (Audited)	47 136	(915)	(23 102)	23 119
Loss for the year	-	-	(67 555)	(67 555)
Other comprehensive income for the year				
Cash flow hedge reserve	-	(953)	-	(953)
Amortisation of historic cash flow hedge reserve	-	1 190	-	1 190
Balance at 31 August 2019 (Audited)	**47 136**	**(678)**	**(90 657)**	**(44 199)**

STATEMENTS OF CASH FLOWS FOR HALF YEAR ENDED 29 FEBRUARY 2020

	THE GROUP		
	Unaudited for the 6 months ended 29 February 2020 GBP 000	Unaudited for the 6 months ended 28 February 2019 GBP 000	Audited for the year ended 31 August 2019 GBP 000
Cash flows from operating activities			
Cash generated from operations	**4 103**	4 165	9 407
Tax paid	**(154)**	(7)	**-**
Interest paid	**(1 974)**	(2 013)	(4 847)
Net cash generated from operating activities	**1 975**	2 145	4 560
Cash flows from investing activities			
Proceeds from sale of investment	**48 297**	-	-
Capital improvements to investment property	**(6)**	(178)	(212)
Net cash from/(used in) investing activities	**48 291**	(178)	(212)
Cash flows from financing activities			
Repayment of borrowings	**(50 861)**	**(1 381)**	(2 614)
Payment of borrowing costs	**(91)**	**-**	(2 850)
Net cash used in financing activities	**(50 952)**	(1 381)	(5 464)
Net cash flows (used in)/ generated from discontinued operations	**(11)**	233	(10)
Net (decrease)/increase in cash and cash equivalents for the period/year	**(697)**	819	(1 126)
Exchange difference	**-**	9	(1)
Cash and cash equivalents at the beginning of the period/year	**2 344**	3 471	3 471
At 29 February 2020/ 28 February 2019/ 31 August 2019	**1 647**	4 299	2 344

RECONCILIATION OF PROFIT FOR HALF YEAR ENDED 29 FEBRUARY 2020 TO HEADLINE EARNINGS

	For the 6 months ended 29 February 2020 GBP 000	For the 6 months ended 28 February 2019 GBP 000	**For the 3 months ended 29 February 2020 GBP 000**	For the 3 months ended 28 February 2019 GBP 000
Basic and headline earnings per share				
Basic profit/(loss) attributable to equity holders of the Company	**7 044**	(11 003)	**(1 584)**	874
Fair value movement on investment properties	**1 776**	12 518	**1 847**	96
Headline earnings attributable to equity holders of the Company	**8 820**	1 515	**263**	970
Number of weighted average shares	**160 935 407**	160 935 407	**160 935 407**	160 935 407
Earnings per share				
Basic earnings/(loss) per share (GBP)	**0.044**	(0.068)	**(0.010)**	0.005
Headline earnings per share (GBP)	**0.055**	0.009	**0.002**	0.006

By order of the Board
15 April 2020

Company secretary
Osiris Corporate Solutions (Mauritius) Limited

NOTES
Copies of this report will be available to the public at the registered office of the Company, Chemin Vingt Pieds, 5th Floor, La Croisette, Grand Baie, Mauritius post the lockdown and are available on the website of the Company at https://newfrontierprop.com/. Copies of the statement of direct or indirect interest of the Senior Officers of the Company pursuant to rule 8(2)(m) of the Securities (Disclosure of Obligations of Reporting Issuers) Rules 2007 are available to the public upon request to the company secretary at the Registered Office of the Company at Chemin Vingt Pieds, 5th Floor, La Croisette, Grand Baie, Mauritius.

These summarised unaudited financial statements are issued pursuant to SEM Listing Rule 12.20 and the Securities Act 2005 of Mauritius as well as the JSE Listings Requirements. The Board of Directors of the Company accepts full responsibility for the accuracy of the information contained therein. For further information please contact:

JSE Sponsor	SEM Authorised Representative and Sponsor	Company secretary
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