

Company Announcement

The following is a company announcement issued by Klikk Finance p.l.c. (the “Company”) pursuant to Rule 4.11.03 and 4.11.12 of the Prospects Rules

Quote

The Company refers to the obligation which Prospects MTF Companies are subject to in terms of Rule 4.11.03 and Rule 4.11.12 relating to the publication of financial information as defined in Table 1 paragraph 3 and specifically the publication and dissemination via an announcement of Financial Sustainability Forecasts including management assumptions thereon (“FSFs”). The below copy of the FSFs, as approved by the Board of Directors, is based on the following assumptions:

Revenues

The Klikk Group (Klikk Finance p.l.c, Klikk Code Ltd and Klikk Ltd) is expected to generate revenue of €7.6 million for the year ending 31 December 2023, on the basis that the Klikk Group will continue operating from its existing outlets to retail and corporate clients and factor in enhancements to the Group’s e-commerce capabilities and growth from software development.

Direct costs

Direct costs comprise the purchase cost of the products sold and the associated transport cost. The projections are based on a gross profit margin of 16.0%, being based on historical trends and expected improvements.

Administrative expenses

Administrative expenses consist primarily of payroll costs, directors’ fees, marketing and distribution fees, admission fees, professional fees and other corporate and general overheads. Administrative expenses are based on historical trends and assumed to increase in line with inflation.

Depreciation is calculated using the straight-line method to allocate the cost of all items comprised within property, plant and equipment to their residual values over their estimated useful lives. The depreciation and amortisation line item also includes the amortisation of bond issue costs and the amortisation on the right of use asset as required under IFRS 16 – Leases.

Finance costs

Finance costs primarily relate to amounts due on the Klikk Group’s loans with Bank of Valletta p.l.c. and the interest on the Bond and the notional interest recognized in relation to the lease payments in terms of IFRS 16.

Taxation

Current taxation is provided for at 35% of chargeable income for the period.

Working capital

The Group's working capital mainly comprises of the net impact of trade receivables, inventory and trade payables and is based on historical trends.

Sinking fund and bond-buy back

In accordance with the Company Admission Document, from financial year end 31 December 2023, the Company shall set up a sinking fund to be administered by the Board of Directors to cover 100% of the value of the issued bonds until redemption date. The required contributions to the sinking fund are expected to total €200,000 by 31 December 2023, in accordance with the Company Admission Document. In line with the treasury management policy, the sinking fund money are expected to be used to purchase bonds off the secondary market, however for the purposes of these projections, are assumed to remain in sinking fund by end of year.

Projected consolidated income statement for the year ending 31 December 2023

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Sales	7,595
Cost of sales	(6,381)
Gross Profit	1,214
Administrative expenses	(750)
Marketing & advertising expenses	(61)
EBITDA	402
Depreciation and amortisation	(245)
Interest	(128)
Profit before tax	29
Tax expense	(8)
Profit after tax	20

Projected consolidated statement of financial position as at 31 December 2023

€000

Assets	
Non-current assets	
Property, plant and equipment	101
Right of use	502
Intangible asset	449
Deferred taxation	351
Sinking fund	200
Total non-current assets	1,603
Current assets	
Inventory	1,555
Trade and other receivables	853
Cash and cash equivalents	111
Total current assets	2,520
Total assets	4,123
Equity	
Share capital	350
Additional contributed capital	619
Retained earnings	(876)
Total capital & reserves	93
Liabilities	
Non-current liabilities	
Borrowings	1,774
Lease liability	426
Total non-current liabilities	2,200
Current liabilities	
Borrowings	46
Lease liability	147
Trade and other payables	1,635
Total current liabilities	1,830
Total liabilities	4,030
Total equity and liabilities	4,123

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Company registration no. C152027 | VAT registration no. MT 2029 3529

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Projected consolidated statement of cash flows for the year ending 31 December 2023

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Operating activities	
EBITDA	402
Working capital adjustments	(131)
Other adjustments	10
Operating cash flow	281
Tax paid	(120)
Interest paid	(99)
Lease payments	(29)
Net cash generated from/(used in) operating activities	32
Investing activities	
Acquisition of property, plant and equipment	(21)
Acquisition of intangible assets	(3)
Net cash generated from/(used in) investing activities	(23)
Financing activities	
Repayment of bank loan	(73)
Changes in sinking fund	(200)
Net cash generated from/(used in) financing activities	(273)
Movement in cash and cash equivalents	(265)
Opening cash and cash equivalents	376
Closing cash and cash equivalents	111



Mikiel Calleja

Company Secretary

26 April 2023