

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 €8.9 million for the year ending 31 December 2021, 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 16.3%, being based on historical trends.

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. However, the required increases to support the growth in operations has been factored in. Working capital requirements are forecasted to amount to €1.3 million.

Projected consolidated income statement for the year ending 31 December 2021

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Sales	8,898
Cost of sales	(7,447)
Gross Profit	1,452
Administrative expenses	(956)
EBITDA	495
Depreciation and amortisation	(220)
Interest	(119)
Profit before tax	156
Tax expense	(52)
Profit after tax	104

Projected consolidated statement of financial position for the year ending 31 December 2021

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Assets

Non-current assets

Property, plant and equipment	236
Right of use asset	733
Intangible assets	418
Deferred tax asset	318
Total non-current assets	1,706

Current assets

Inventory	1,498
Trade and other receivables	1,370
Bank and cash	609
Total current assets	3,477
Total assets	5,183

Equity

Share capital	350
Shareholders' loan	849
Retained earnings	(590)
Total equity	609

Liabilities

Non-current liabilities

Borrowings	2,041
Lease liability	659
Total non-current liabilities	2,701

Current liabilities

Borrowings	187
Lease liability	127
Trade and other payables	1,554
Current taxation due	6
Total current liabilities	1,873
Total liabilities	4,574
Total equity and liabilities	5,183

Projected consolidated statement of cash flows for the year ending 31 December 2021

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Operating activities

EBITDA	495
Working capital adjustments	
Changes in inventory	(317)
Changes in trade and other receivables	200
Changes in trade and other payables	14
Operating cash flow	392
Interest paid	(81)
Lease payments	(124)
Net cash generated from/(used in) operating activities	188

Investing activities

Disposal/(acquisition) of property, plant and equipment	(41)
Net cash generated from/(used in) investing activities	(41)

Financing activities

Repayments of bank loan	(176)
Increase in related party borrowings	28
Net cash generated from/(used in) financing activities	(148)
Movement in cash and cash equivalents	(1)
Opening cash and cash equivalents	606
Closing cash and cash equivalents	605
Overdraft balance	4
Cash position in statement of financial position	609

Mikiel Calleja

Company Secretary

28.04.2021