



COMPANY ANNOUNCEMENT

The following is a company announcement issued by AST Group p.l.c. (the “**Company**”) bearing company registration number C 66811, in terms of the rules of Prospects MTF, a market regulated as a multi-lateral trading facility and operated by the Malta Stock Exchange.

Financial Sustainability Forecasts

The Company refers to the obligation to which Prospects MTF companies are subject to in terms of Rule 4.11.03 and Rule 4.11.12 relating to the publication of the twelve-month 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 Group FSFs (which consists of AST Group p.l.c. and its subsidiaries), as approved by the Board of Directors, are based on the following assumptions:

Revenues

The Group’s revenue is principally derived from trading operations (animal feed), but is complemented by the shipping operations of the Group in an effort to mitigate the logistical issues and higher transportation costs faced by the trading arm of the Group, as well as providing the Group added control over its value chain. In FY2023, it is projected that the Group’s shall trade the following animal feed products - guar meal, fishmeal, soya, corn, barley and feed wheat - and will generate revenue of €37.5 million during FY2023.

Revenue from shipping operations will be generated through the operation Group’s owned vessel, M/V AST Malta as well as chartering of third-party vessels. Additionally, the Group is expected to acquire a vessel/s through the proceeds of the €8.5 million 6.25% Secured Bond as stipulated in the Prospectus dated 20 April 2023 (the New Bond). Consequently, shipping revenues are expected to total €8.8 million during FY2023.

Therefore, the Group’s revenue for the twelve months ending 31 December 2023 is expected to total €46.4 million.

Direct costs

Direct costs comprise the purchase cost of the animal feed products sold and the associated transport cost, crew costs to operate the vessel/s, brokerage costs, insurance costs, bunkering and vessel maintenance costs. The projections have been based on historically results and market trends.

Selling expenses and administrative expenses

Selling expenses and administrative expenses are expected to amount to c. €1.0 million in FY2023, and primarily consist of marketing costs, administrative salaries, professional fees, listing fees, director fees and insurance costs.

Depreciation and amortization

The projections also assume that the Group will incur depreciation and amortization of €1.3 million in FY2023, primarily arising on the depreciation of M/V AST Malta and the vessel/s to be acquired through the proceeds of the New Bond, with a €6.5 million value. The acquired vessel/s will be depreciated over 10 years.



Finance costs

Finance costs include: (i) Finance costs on the New Bond, which carries an interest rate of 6.25% per annum. The interest on the New Bond is assumed to commence on 1 May 2023. Moreover, as set out in the Prospectus, the existing €1.85 million Prospects MTF Bond will be redeemed through the proceeds raised from the New Bond; (ii) interest incurred on bank factoring based on the factoring agreements in place.

Taxation

Current taxation is calculated at an effective 25% tax rate on profits generated on animal feed through the branches operating throughout Europe however, profits derived from shipping activities are exempt from tax given that that the shipping of the Group satisfy the conditions set out in the Merchant Shipping Act and regulations issued thereunder.

Consolidated income statement of AST Group

Statement of comprehensive income for the year ending 31 December

€000	FY2023
Revenue	46,354
Cost of sales	(42,842)
Gross profit	3,512
Administrative, selling and distribution expenses	(976)
EBITDA	2,536
Depreciation and amortisation	(1,312)
EBIT	1,224
Net finance costs	(617)
Profit before tax	607
Tax	7
Profit after tax	613



Consolidated statement of financial position of AST Group

Statement of financial position as at 31 December

€000	FY2023
ASSETS	
Non current assets	
Property, plant and equipment	8,883
Deferred tax assets	158
Total non current assets	9,041
Current assets	
Inventories	2,330
Trade and other receivables	1,519
Cash and cash equivalents	2,877
Total current assets	6,727
Total assets	15,768
EQUITY AND LIABILITIES	
Equity	
Share capital	250
Total reserves	3,204
Retained earnings	1,274
Total equity	4,728
Non current liabilities	
Borrowings	8,220
Other non-current liabilities	159
Total non current liabilities	8,379
Current liabilities	
Trade and other payables	2,667
Current tax payables	(7)
Total current liabilities	2,661
Total liabilities	11,040
Total equity and liabilities	15,768



Consolidated statement of cash flows of the AST Group

Statement of cash flows for the period ending 31 December

€000	FY2023
Cash flow from operating activities	
EBITDA	2,536
Movement in working capital	
Movement in inventories	268
Movement in trade and other payables	(256)
Movement in trade and other receivables	84
Cash generated from operations	2,632
Taxation paid	(9)
Interest paid	(617)
Net cash (used in)/from operating activities	2,006
Cash flows from investing activities	
Acquisition of PPE and intangible assets	(6,930)
Net cash (used in)/from investing activities	(6,930)
Cash flows from financing activities	
Proceeds from borrowings	8,500
Bond issuance costs	(300)
Release of / (additions to) sinking fund	300
Repayment of borrowings	(1,835)
Payments for lease obligations	(21)
Net cash (used in)/from financing activities	6,644
Movement in cash and cash equivalents	1,720
Cash and cash equivalents at beginning of year	1,157
Cash and cash equivalents at the end of year	2,877

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Dr. Katia Cachia
Company Secretary
28 April 2023