

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 Prospectus 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 €8.1 million for the year ending 31 December 2022, 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 16.1%, 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

Hal Mann, The Factory, Mosta Road, Lija LJA 9016, Malta

T: +356 2750 2750 - E: sales@klikk.com.mt - W: www.klikk.com.mt

Company registration No. C52802 | VAI registration No. VI 2021 3121



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 2022, 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 2022, in accordance with the Company Admission Document and in line with the treasury management policy.

Projected consolidated income statement for the year ending 31 December 2022

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Sales	8,061
Cost of sales	(6,766)
Gross Profit	1,295
Administrative expenses	(855)
Marketing & advertising expenses	(43)
EBITDA	397
Depreciation and amortisation	(226)
Interest	(147)
Profit before tax	24
Tax expense	(17)
Profit after tax	8

Projected consolidated statement of financial position as at 31 December 2022

€000

Assets

Non-current assets

Property, plant and equipment	176
Right of use	618
Intangible asset	425
Deferred taxation	312
Total non-current assets	1,531

Current assets

Inventory	1,460
Trade and other receivables	987
Cash and cash equivalents	457
Total current assets	2,905

Total assets **4,436**

Equity

Share capital	350
Additional contributed capital	849
Retained earnings	(789)
Total capital & reserves	409

Liabilities

Non-current liabilities

Borrowings	45
Bonds	1,556
Lease liability	544
Total non-current liabilities	2,145

Current liabilities

Borrowings	76
Bond	200
Lease liability	150
Trade and other payables	1,456
Total current liabilities	1,882

Total liabilities **4,027**

Total equity and liabilities **4,436**

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FINANCE PLC

Projected consolidated statement of cash flows for the year ending 31 December 2022

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Operating activities

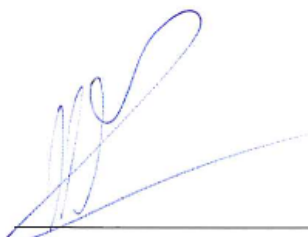
EBITDA	397
Working capital adjustments	
Changes in inventory	329
Changes in trade and other receivables	71
Changes in trade and other payables	(46)
Operating cash flow	752
Tax paid	(1)
Interest paid	(113)
Lease payments	(127)
Net cash generated from/(used in) operating activities	511

Investing activities

Acquisition of property, plant and equipment	(35)
Net cash generated from/(used in) investing activities	(35)

Financing activities

Repayment of bank loan	(157)
Repayment of bond	(200)
Increase in related party borrowings	53
Net cash generated from/(used in) financing activities	(303)
Movement in cash and cash equivalents	173
Opening cash and cash equivalents	284
Closing cash and cash equivalents	457



Mikiel Calleja
Company Secretary

26 April, 2022