

Exalco Finance p.l.c. (C-87384)
'Cornerstone Business Centre', Level 4, 16 September Square, Mosta MST1180, Malta



COMPANY ANNOUNCEMENT

Exalco Finance p.l.c.

Approval of interim financial statements

Date of Announcement	7 August 2020
Reference No:	15/2020
Listing Rule:	5.16.20

QUOTE

The Board of Directors approved the unaudited interim financial statements of the Company for the financial period 1 January 2020 to 30 June 2020. The interim financial statements are attached herewith and are also available for viewing at the registered office of the Company and on its website <http://www.exalcogroup.com/investor-relations/>

UNQUOTE

By order of the Board.

Dr. Malcolm Falzon
COMPANY SECRETARY

EXALCO FINANCE p.l.c.

Half-Yearly Report
30 June 2020

	Pages
Half-yearly directors' report	1 - 2
Condensed statement of financial position	3
Condensed statement of comprehensive income	4
Condensed statement of changes in equity	5
Condensed statement of cash flows	6
Notes to the half-yearly report	7

Half-yearly directors' report

This Half-Yearly Report is being published in terms of Chapter 5 of the Listing Rules of the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The condensed financial statements included in this report have been extracted from Exalco Finance p.l.c.'s unaudited financial information for the six months ended 30 June 2020, prepared in accordance with International Financial Reporting Standards as adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). This half-yearly report has not been audited or reviewed by the company's independent auditors.

Trading performance

The company

The company's principal activity is to carry on the business of an investment company, by raising funds to finance the operations and capital projects of Exalco Properties Limited, a main operating company forming part of Exalco Group.

Finance income amounting to €370,608 (2019: €362,371) is generated from a facility fee and interest charged on the loan advanced to Exalco Properties Limited. Financial costs comprise interest payable on the bond issue and amortisation of the issued costs thereof amounting to €314,178 (2019: €312,534). Profit before taxation for the six-month period under review was €27,159 (2019: €19,271).

The directors do not anticipate any significant changes during the forthcoming six months.

The Guarantor

Notwithstanding the difficult period and the challenges that the COVID-19 pandemic has created and will continue to create at least in the short term, the Guarantor generated revenue of €2,292,833, an increase of €225,990 over the comparative period. The increase is attributable to three reasons – the commencement of rental income from the remaining available space at the Phoenix building effective January 2020, the renewal of some agreements at higher rates particularly in specific buildings also effective from the beginning of 2020 as well as annual rent increments as stipulated in existing lease agreements which the Guarantor has in place with existing tenants. These factors contributed to a profit before tax of €1,209,450.

The Guarantor envisages occupancy levels in the next six months to remain close to 100% in all its buildings, although its directors remain alert to external market factors, particularly the impact to the economy that may be caused by the continuation of the pandemic as well as current challenges to Malta's reputation.

Half-yearly directors' report - continued

Dividends

The directors do not recommend the payment of an interim dividend.

Director's statement pursuant to Listing Rule 5.75.3

We hereby confirm that to the best of our knowledge:

1. the condensed half-yearly report gives a true and fair view of the financial position of the company as at 30 June 2020, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34).
2. the interim directors' report includes a fair review of the information required in terms of Listing Rule 5.81.



Alexander Montanaro
Director



Jean Marc Montanaro
Director

Registered office:
Exalco Finance p.l.c.
Cornerstone Business Centre
Level 4
16 September Square
Mosta MST 1180
Malta

7 August 2020

Condensed statement of financial position

	Note	As at 30 June 2020 € (unaudited)	As at 31 December 2019 € (audited)
ASSETS			
Non-current assets			
Loan receivable from fellow subsidiary	3	14,971,500	14,971,500
Current assets			
		628,855	291,068
Total assets		15,600,355	15,262,568
EQUITY AND LIABILITIES			
Equity and reserves			
		292,660	275,007
Non-current liabilities			
Borrowings		14,757,500	14,742,500
Current liabilities			
		550,195	245,061
Total liabilities		15,307,695	14,987,561
Total equity and liabilities		15,600,355	15,262,568

The notes on page 7 are an integral part of this interim condensed financial information.

The condensed interim financial information on pages 3 to 7 were authorised for issue by the board of directors on 7 August 2020 and were signed on its behalf by:



Alexander Montanaro
Director



Jean Marc Montanaro
Director

Condensed statement of comprehensive income

	Six months ended 30 June	
	2020 € (unaudited)	2019 € (unaudited)
Finance income	370,608	362,371
Finance costs	(314,178)	(312,534)
Net interest income	56,430	49,837
Administrative expenses	(29,271)	(30,566)
Profit before tax	27,159	19,271
Tax expense	(9,506)	(6,745)
Profit for the period - total comprehensive income	17,653	12,526

The notes on page 7 are an integral part of this interim condensed financial information.

Condensed statement of changes in equity

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2019	250,000	1,710	251,710
Profit for the period – total comprehensive income	-	12,526	12,526
Balance at 30 June 2019	250,000	14,236	264,236
Balance at 1 January 2020	250,000	25,007	275,007
Profit for the period – total comprehensive income	-	17,653	17,653
Balance at 30 June 2020	250,000	42,660	292,660

The notes on page 7 are an integral part of this interim condensed financial information.

Condensed statement of cash flows

	Six months ended 30 June	
	2020 € (unaudited)	2019 € (unaudited)
Cash flows from operating activities	35,692	94,138
Net movement in cash and cash equivalents	35,692	94,138
Cash and cash equivalents at beginning of period	44,336	250,337
Cash and cash equivalents at end of period	80,028	344,475

The notes on page 7 are an integral part of this interim condensed financial information.

Notes to the half-yearly report

1. Basis of preparation

This condensed interim financial information for the period ended 30 June 2020 has been prepared in accordance with IAS 34, 'Interim financial reporting'. They have been prepared under the historical cost convention. These financial statements have not been audited nor reviewed by the company's independent auditors. The condensed interim financial information should be read in conjunction with the financial statements for the year ended 31 December 2019, which have been prepared in accordance with IFRSs as adopted by the EU.

2. Share capital

	30 June 2020	31 December 2019
	€	€
Authorised, issued and fully paid up		
250,000 ordinary shares of €1 each	250,000	250,000

3. Related party transactions

The company forms part of the Exalco Group of Companies. All companies forming part of the Exalco Group are related parties since these companies are all ultimately owned by Exalco Holdings Limited, which is considered by the directors to be the ultimate controlling party. Trading transactions between these companies include items which are normally encountered in a group context. The group is ultimately fully owned by members of the Montanaro family, who are therefore considered to be related parties. The main related party with whom transactions are entered into is Exalco Properties Limited, the guarantor of the borrowings.

The principal transactions carried out with related parties during the period are outlined below:

	Six months ended 30 June	
	2020	2019
	€	€
Finance income from fellow subsidiary	305,838	298,873
Facility fee from fellow subsidiary	64,770	63,498
	370,608	362,371

The company's balances with fellow subsidiary as at the end of the period is as follows:

	30 June 2020	31 December 2019
	€	€
Loan receivable from fellow subsidiary	14,971,500	14,971,500