

EXALCO FINANCE p.l.c.

Half-Yearly Report  
30 June 2022

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## Half-yearly directors' report

This Half-Yearly Report is being published in terms of Chapter 5 of the Capital Market 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 2022, 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 €371,837 (2021: €369,401) 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 €312,534 (2021: €312,534). Profit before taxation for the six-month period under review was €26,660 (2021: €23,211).

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

#### *The Guarantor*

The Guarantor generated revenue of €2,497,621, an increase of €39,733 over the comparative period. This increase is mainly attributable to revised rental agreements in line with market rates. This contributed to a profit before tax of €1,374,914.

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, the war in Ukraine, as well as Malta's continued ability to attract investment from abroad.

**Half-yearly directors' report** - continued

**Dividends**

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

**Director's statement pursuant to Capital Market 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 2022, 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 Capital Market Rule 5.81.



Alexander Montanaro  
Director



Jean Marc Montanaro  
Director

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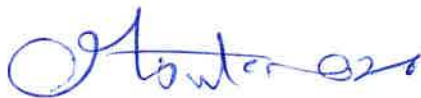
10 August 2022

## Condensed statement of financial position

	Note	As at 30 June 2022 € (unaudited)	As at 31 December 2021 € (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Loan receivable from fellow subsidiary	3	15,171,500	15,021,500
<b>Current assets</b>			
		557,434	377,774
<b>Total assets</b>		<b>15,728,934</b>	<b>15,399,274</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>			
		362,333	345,004
<b>Non-current liabilities</b>			
Borrowings		14,817,500	14,802,500
<b>Current liabilities</b>			
		549,101	251,770
<b>Total liabilities</b>		<b>15,366,601</b>	<b>15,054,270</b>
<b>Total equity and liabilities</b>		<b>15,728,934</b>	<b>15,399,274</b>

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 10 August 2022 and were signed on its behalf by:



Alexander Montanaro  
Director



Jean Marc Montanaro  
Director

## Condensed statement of comprehensive income

	Six months ended 30 June	
	2022 € (unaudited)	2021 € (unaudited)
Finance income	371,837	369,401
Finance costs	(312,534)	(312,534)
<b>Net interest income</b>	<b>59,303</b>	<b>56,867</b>
Administrative expenses	(32,643)	(33,656)
<b>Profit before tax</b>	<b>26,660</b>	<b>23,211</b>
Tax expense	(9,331)	(8,124)
<b>Profit for the period - total comprehensive income</b>	<b>17,329</b>	<b>15,087</b>

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 2021	250,000	59,097	309,097
Profit for the period – total comprehensive income	-	15,088	15,088
<b>Balance at 30 June 2021</b>	<b>250,000</b>	<b>74,185</b>	<b>324,185</b>
Balance at 1 January 2022	250,000	95,004	345,004
Profit for the period – total comprehensive income	-	17,329	17,329
<b>Balance at 30 June 2022</b>	<b>250,000</b>	<b>112,333</b>	<b>362,333</b>

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	
	2022 € (unaudited)	2021 € (unaudited)
Cash flows from operating activities	31,434	667
Cash flows from financing activities	(150,000)	-
Net movement in cash and cash equivalents	(118,566)	667
Cash and cash equivalents at beginning of period	127,205	127,108
Cash and cash equivalents at end of period	8,639	127,775

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 2022 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 2021, which have been prepared in accordance with IFRSs as adopted by the EU.

### 2. Share capital

	<b>30 June 2022</b>	31 December 2021
	€	€
<b>Authorised, issued and fully paid up</b>		
250,000 ordinary shares of €1 each	<b>250,000</b>	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:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	€	€
Finance income from fellow subsidiary	<b>304,450</b>	303,336
Facility fee from fellow subsidiary	<b>67,387</b>	66,065
	<b>371,837</b>	369,401

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

	<b>30 June 2022</b>	31 December 2021
	€	€
Loan receivable from fellow subsidiary	<b>15,171,500</b>	15,021,500

