

EXALCO FINANCE p.l.c.

Half-Yearly Report
30 June 2023

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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 2023, 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 €375,047 (2022: €371,837) 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 (2022: €312,534). Profit before taxation for the six-month period under review was €26,623 (2022: €26,660).

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

The Guarantor

The Guarantor generated revenue of €2,647,129, an increase of €149,508 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 €1,464,490.

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.

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 2023, 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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Malta

11 August 2023

Condensed statement of financial position

	Note	As at 30 June 2023 € (unaudited)	As at 31 December 2022 € (audited)
ASSETS			
Non-current assets			
Loan receivable from fellow subsidiary	3	15,221,500	15,171,500
Current assets			
		577,310	301,464
Total assets		15,798,810	15,472,964
EQUITY AND LIABILITIES			
Equity and reserves			
		402,274	384,969
Non-current liabilities			
Borrowings		14,847,500	14,832,500
Current liabilities			
		549,036	255,495
Total liabilities		15,396,536	15,087,995
Total equity and liabilities		15,798,810	15,472,964

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 11 August 2023 and were signed on its behalf by:



Alexander Montanaro
Director



Jean Marc Montanaro
Director

Condensed statement of comprehensive income

	Six months ended 30 June	
	2023 € (unaudited)	2022 € (unaudited)
Finance income	375,047	371,837
Finance costs	(312,534)	(312,534)
Net interest income	62,513	59,303
Administrative expenses	(35,890)	(32,643)
Profit before tax	26,623	26,660
Tax expense	(9,318)	(9,331)
Profit for the period - total comprehensive income	17,305	17,329

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 2022	250,000	95,004	345,004
Profit for the period – total comprehensive income	-	17,329	17,329
Balance at 30 June 2022	250,000	112,333	362,333
Balance at 1 January 2023	250,000	134,969	384,969
Profit for the period – total comprehensive income	-	17,305	17,305
Balance at 30 June 2023	250,000	152,274	402,274

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	
	2023 € (unaudited)	2022 € (unaudited)
Cash flows from operating activities	25,758	31,434
Cash flows from financing activities	(50,000)	(150,000)
Net movement in cash and cash equivalents	(24,242)	(118,566)
Cash and cash equivalents at beginning of period	48,257	127,205
Cash and cash equivalents at end of period	24,015	8,639

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 2023 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 2022, which have been prepared in accordance with IFRSs as adopted by the EU.

2. Share capital

	30 June 2023	31 December 2022
	€	€
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	
	2023	2022
	€	€
Finance income from fellow subsidiary	306,312	304,450
Facility fee from fellow subsidiary	68,735	67,387
	375,047	371,837

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

	30 June 2023	31 December 2022
	€	€
Loan receivable from fellow subsidiary	15,221,500	15,171,500

