

**Klikk Finance p.l.c.**  
**Condensed Consolidated Interim Financial Statements (unaudited)**  
**for the period**  
**1 January 2018 to 30 June 2018**

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# Klikk Finance p.l.c.

## Directors' Report pursuant to Prospects Rule 4.11.12 for the period 1 January 2018 to 30 June 2018

*This Half-Yearly Report is being published in terms of Chapter 4 of the Prospects Rules of the Malta Stock Exchange and the Prevention of Financial Markets Abuse Act, 2005. The Half-Yearly Report comprises the reviewed (not audited) condensed consolidated interim financial statements for the six months ended 30 June 2018 prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed consolidated interim financial statements have been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. The comparative Statement of Financial Position has been extracted from the audited financial statements for the year ended 31 December 2017.*

### Principal activity

Klikk Finance p.l.c. (formerly BOE Finance Limited) (the Company) is the financing arm of the Group and its main purpose is to act as financier of the subsidiary, Klikk Limited (the Subsidiary).

The principal activity of the Subsidiary relates to the business of IT products as well as software development. The Subsidiary operates two stores, one in the Birkirkara By-Pass and the other in Tal-Barrani Road, Zejtun. Furthermore, the Subsidiary develops Bespoke and B2B software solutions for corporate customers.

### Review of business and results

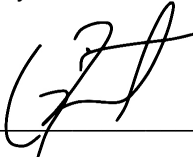
The Group (consisting of the Company and the Subsidiary) incurred a consolidated loss before tax of €95,015 (2017: €233,547) for the six-month period ended 30 June 2018, a decrease of 59% over the previous period.

Progress has been registered following the Bond issue, as turnover increased from €1.5m between January to June 2017 to €2.4m between January to June 2018, representing an increase of 58%. Moreover, the Group's gross profit margin increased to 26.0% during this period (January to June 2017: 21.9%).

### Dividend

No interim dividends are being proposed.

Approved by the Board of Directors on 21 August 2018 and signed on its behalf by:



Mr. Gordon Zammit - Chairman



Mr. William Van Buren - Non-executive Director

### Registered Office

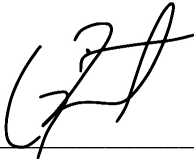
Hal Mann, The Factory,  
Mosta Road,  
Lija LJA 9016

# Klikk Finance p.l.c.

## Directors' Statement

We hereby confirm that to the best of my knowledge:

- The condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2018, and of its financial performance and cash flows for the six-month period then ended in accordance with IAS 34, "Interim Financial Reporting"; and
- The Interim Directors' Report includes a fair review of the information required in terms of Prospects Rule 4.11.12.



Mr. Gordon Zammit - Chairman



Mr. William Van Buren - Non-executive Director

21 August 2018

**To the Board of Directors of Klikk Finance p.l.c. (formerly BOE Finance Limited)  
Report on Review of Condensed Consolidated Interim Financial Information**

**Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Klikk Finance p.l.c. as at 30 June 2018, the related condensed consolidated interim statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and the explanatory notes ("the interim financial information"). The directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Report". Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

**Jozef W. Galea**  
**for and on behalf of HLB CA Falzon**  
**Registered Auditors**

21 August 2018

**Global in Reach Local in Touch**

HLB CA Falzon, Central Office Buildings, Block A Level 1, Mosta Road, Lija LJA 9016, Malta  
Tel: +356 2010 9800 / Email: [info@hlbcamalta.com](mailto:info@hlbcamalta.com) / [www.hlbcamalta.com](http://www.hlbcamalta.com)  
VAT No. MT 2080 6811

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# Klikk Finance p.l.c.

## Interim Condensed Consolidated Statement of Comprehensive Income for the period 1 January 2018 to 30 June 2018

	Note	1 January to 30 June 2018 (unaudited) €	1 January to 30 June 2017 (unaudited) €
<b>Revenue</b>	4	2,405,738	1,524,644
Cost of sales		(1,780,746)	(1,190,904)
<b>Gross profit</b>		624,992	333,740
Distribution costs		-	(89,521)
Administrative expenses		(634,714)	(460,717)
Impairment of trade receivables		-	(814)
Other operating income		-	3,987
<b>Operating loss</b>		(9,722)	(213,325)
Finance and similar income		-	137
Finance costs		(85,293)	(20,359)
<b>Loss before tax</b>	4	(95,015)	(233,547)
Income tax expense	5	37,724	-
<b>Loss for the period</b>		(57,291)	(233,547)
<b>Total comprehensive loss for the period</b>		(57,291)	(233,547)
Attributable to:			
Equity holders of the parent		(57,291)	(180,541)
Non-controlling interests		-	(53,006)
		(57,291)	(233,547)
<b>Earnings per share (cents)</b>			
Basic and diluted, loss for the year attributable to the ordinary equity holders of the parent		(0.16)	(1.81)

The notes on pages 8 to 11 form part of these financial statements.

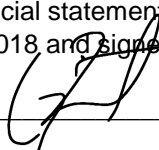
# Klikk Finance p.l.c.

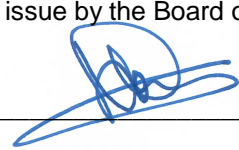
## Interim Condensed Consolidated Statement of Financial Position as at 30 June 2018

	Note	As at 30 June 2018 (unaudited) €	As at 31 December 2017 (audited) €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	276,792	285,486
Goodwill		417,951	417,951
Trade and other receivables	7	-	643,983
Deferred tax assets		287,246	249,507
<b>Total non-current assets</b>		<b>981,989</b>	<b>1,596,927</b>
<b>Current assets</b>			
Inventories		855,303	714,697
Trade and other receivables	7	1,547,472	711,527
Current taxation recoverable	6	16	2
Cash and cash equivalents	9	1,399,756	1,721,283
<b>Total current assets</b>		<b>3,802,547</b>	<b>3,147,509</b>
<b>Total assets</b>		<b>4,784,536</b>	<b>4,744,436</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued capital		350,000	350,000
Additional contributed capital		753,599	848,735
Accumulated losses		(450,346)	(393,055)
<b>Equity attributable to equity holders of the parent</b>		<b>653,253</b>	<b>805,680</b>
Non-controlling interest	11	-	(85,136)
<b>Total equity and reserves</b>		<b>653,253</b>	<b>720,544</b>
<b>Non-current liabilities</b>			
Borrowings	8	2,613,595	2,588,612
<b>Current liabilities</b>			
Borrowings	8	624,214	628,632
Trade and other payables		893,474	806,648
<b>Total current liabilities</b>		<b>1,517,688</b>	<b>1,435,280</b>
<b>Total liabilities</b>		<b>4,131,283</b>	<b>4,023,892</b>
<b>Total equity and liabilities</b>		<b>4,784,536</b>	<b>4,744,436</b>

The notes on pages 8 to 11 form part of these financial statements.

The financial statements on pages 4 to 11 were authorised for issue by the Board of Directors on 21 August 2018 and signed on its behalf by:

  
Mr. Gordon Zammit - Chairman

  
Mr. William Van Buren - Non-executive Director

## Klikk Finance p.l.c.

### Interim Condensed Consolidated Statement of Changes in Equity for the period 1 January 2018 to 30 June 2018 (unaudited)

	Issued capital €	Additional contributed capital €	Accumulated losses €	Equity attributable to equity holders of the parent €	Non- controlling interest €	Total equity €
<b>Balance as at 1 January 2017</b>						
Opening balance	100,000	1,179,594	(121,555)	1,158,039	1,819	1,159,858
Loss for the period	-	-	(180,541)	(180,541)	(53,006)	(233,547)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	(180,541)	(180,541)	(53,006)	(233,547)
<b>Advances from shareholders</b>	-	104,000	-	104,000	-	104,000
<b>Balance as at 30 June 2017</b>	<u>100,000</u>	<u>1,283,594</u>	<u>(302,096)</u>	<u>1,081,498</u>	<u>(51,187)</u>	<u>1,030,311</u>
<b>Balance as at 1 January 2018</b>						
Opening balance	350,000	848,735	(393,055)	805,680	(85,136)	720,544
Loss for the period	-	-	(57,291)	(57,291)	-	(57,291)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	(57,291)	(57,291)	-	(57,291)
<b>Change in shareholding</b>	-	(95,136)	-	(95,136)	85,136	(10,000)
<b>Balance as at 30 June 2018</b>	<u>350,000</u>	<u>753,599</u>	<u>(450,346)</u>	<u>653,253</u>	<u>-</u>	<u>653,253</u>

The notes on pages 8 to 11 form part of these financial statements.

# Klikk Finance p.l.c.

## Interim Condensed Consolidated Statement of Cash Flows for the period 1 January 2018 to 30 June 2018

		1 January 2018 to 30 June 2018 (unaudited) €	1 January 2017 to 30 June 2017 (unaudited) €
	Note		
<b>Cash flows from operating activities</b>			
Loss before tax		(95,015)	(233,547)
Adjustments for:			
Depreciation		26,380	23,124
Impairment of trade receivables		-	814
Amortisation of non-current intangible assets		-	9,493
Finance income		-	(137)
Finance cost		85,293	20,359
Working capital changes:			
Increase in inventories		(140,606)	(135,087)
Increase in receivables		(191,962)	(111,426)
Increase in payables		86,826	104,725
Interest paid on overdraft		(12,039)	-
Taxation (paid)/ refunded		(15)	360
<b>Net cash used in operating activities</b>		<b>(241,138)</b>	<b>(321,322)</b>
<b>Cash flows from investing activities</b>			
Payments to acquire property, plant and equipment		(9,805)	(39,474)
Payments to acquire additional investment in subsidiary		(10,000)	-
<b>Net cash used in investing activities</b>		<b>(19,805)</b>	<b>(39,337)</b>
<b>Cash flows from financing activities</b>			
Repayment of bank loans		(23,648)	(29,459)
Interest paid		(20,799)	(20,359)
Receipts from related company		65,574	15,000
Advances from shareholders		-	104,000
<b>Net cash generated from financing activities</b>		<b>21,127</b>	<b>69,182</b>
<b>Decrease in cash and cash equivalents</b>		<b>(239,816)</b>	<b>(291,477)</b>
Cash and cash equivalents at beginning of period		1,341,327	(82,181)
<b>Cash and cash equivalents at end of period</b>	9	<b>1,101,511</b>	<b>(373,658)</b>

The notes on pages 8 to 11 form part of these financial statements.



# Klikk Finance plc

## Notes to the Interim Condensed Consolidated Financial Statements for the period 1 January 2018 to 30 June 2018

### 1. Corporate information

The interim condensed consolidated financial statements of Klikk Finance plc and its subsidiaries ('the Group') for the six months ended 30 June 2018 were authorized for issue in accordance with a resolution of the Board of Directors on 21 August 2018.

Klikk Finance plc ('the Company') is a limited liability company incorporated in Malta, under the Companies Act, Cap. 386 of the Laws of Malta.

### 2. Basis of preparation and principal accounting policies

#### 2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statement as at 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

#### 2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these amendments apply for the first time in 2018, they do not have material impact on the interim condensed consolidated financial statements of the Group. The nature and the impact of each amendment is described below:

#### IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group applied the amendments prospectively using the modified approach. However, their application has no effect on the Group's financial position and performance as the Group, reassessment is to be made as at year end for the effect of this standard to the Group's financial statements.

# Klikk Finance plc

## Notes to the Interim Condensed Consolidated Financial Statements for the period 1 January 2018 to 30 June 2018

### IFRS 9 *Financial Instruments*

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied IFRS 9 prospectively, with the initial application date of 1 January 2018.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim condensed consolidated financial statements of the Group.

### 3. Use of judgements and estimates

In preparing condensed consolidated interim financial statements, the Board of Directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at 31 December 2017.

### 4. Segment information

For management purposes, the Group is organized into business units based on its products and services and has two reportable segments, as follows:

The Lending and Financing and Retail segment includes financing of debtors and the retail of IT products and electronic goods, including but not limited to laptops, desktops, smartphones, tablets, television and computer peripheral devices.

In addition, the Group also offers be-spoke software solutions. Klikk Limited supplies its computer products and services mainly to individuals, corporate customers and Government institutions and Departments. Customers may acquire the products and/or software either through cash sale or on credit as secured by the bills of exchange.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustment and eliminations' column.

# Klikk Finance plc

## Notes to the Interim Condensed Consolidated Financial Statements for the period 1 January 2018 to 30 June 2018

### 4. Segment information (continued)

Six-month period ended 30 June 2018	Lending and financing €	Retail €	Total segments €	Adjustments and eliminations €	Consolidated €
<b>Revenue</b>					
External customers	44,878	2,360,860	2,405,738	-	2,405,738
Inter-segment	83,923	19	83,942	(83,942)	-
	<u>128,801</u>	<u>2,360,879</u>	<u>2,489,680</u>	<u>(83,942)</u>	<u>2,405,738</u>
<b>Expenses</b>					
Depreciation and amortisation	<u>1,875</u>	<u>24,505</u>	<u>26,380</u>	<u>-</u>	<u>26,380</u>
<b>Segment profit</b>	<u>44,757</u>	<u>(139,772)</u>	<u>(95,015)</u>	<u>-</u>	<u>(95,015)</u>
<b>Total assets</b>	<u>4,043,238</u>	<u>2,822,050</u>	<u>6,865,288</u>	<u>(2,080,752)</u>	<u>4,784,536</u>
<b>Total liabilities</b>	<u>3,037,885</u>	<u>3,016,837</u>	<u>6,054,722</u>	<u>(1,923,439)</u>	<u>4,131,283</u>

### 5. Income tax

The Group calculates the period income tax credit using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax credit in the interim condensed statement of comprehensive income are:

	1 January to 30 June 2018 (unaudited) €	1 January to 30 June 2017 (unaudited) €
<b>Income taxes</b>		
Current income tax	15	-
Deferred income tax credit	<u>(37,739)</u>	<u>-</u>
<b>Income tax expense recognized in statement of comprehensive income</b>	<u>(37,724)</u>	<u>-</u>

### 6. Property, plant and equipment

During the six months ended 30 June 2018, the Group acquired assets with a cost of €9,805.

There were no assets disposed by the Group during the six months ended 30 June 2018 and 30 June 2017.

# Klikk Finance plc

## Notes to the Interim Condensed Consolidated Financial Statements for the period 1 January 2018 to 30 June 2018

### 7. Trade and other receivables

Trade receivables are stated net of a provision for impairment of €36,402 (31 December 2017: €34,664).

### 8. Borrowings

	As at 30 June 2018 (unaudited) €	As at 31 December 2017 (audited) €
<b>Non-current</b>		
Bank loans	693,035	671,326
Bonds	1,920,560	1,917,286
<b>Total non-current borrowings</b>	<u>2,613,595</u>	<u>2,588,612</u>
<b>Current</b>		
Bank overdrafts (note 9)	298,245	379,956
Bank loans	163,315	151,596
Amount due to related company	162,654	97,080
<b>Total current borrowings</b>	<u>624,214</u>	<u>628,632</u>
<b>Total borrowings</b>	<u>3,237,809</u>	<u>3,217,244</u>

### 9. Cash and cash equivalents

Cash and cash equivalents comprise of the following:

	As at 30 June 2018 (unaudited) €	As at 31 December 2017 (audited) €
Cash at bank and in hand	1,399,756	1,721,283
Bank overdrafts (note 8)	(298,245)	(379,956)
	<u>1,101,511</u>	<u>1,341,327</u>

### 10. Related parties

The Group did not enter into any material transactions with related parties.

### 11. Non-controlling interest

On 16 March 2018, the Company acquired the remaining 25% shareholding of the Subsidiary, resulting to 100% ownership.