



## Director's Report

The Directors of Klarita t/a Dr Sunshine are pleased to present their report for the period ended 8<sup>th</sup> April 2026, summarising the company's performance, key achievements, and lessons learned throughout the JA Malta Company Programme.

Dr Sunshine was established with the objective of addressing a clear gap within the healthcare environment by providing structured Comfort Kits designed to support children in hospital. The company successfully transitioned from concept to execution, validating its idea through a 206-responder survey and developing a product that combined emotional value with practical utility. The positive response from both buyers and recipients confirmed the relevance and impact of the solution.

Financially, the company performed strongly, generating revenue exceeding €6,000 and achieving a net profit of €1,474.45, significantly outperforming the initial target of €513. This represents an improvement of approximately 187%, reflecting both effective cost management and strong demand. The business maintained a gross margin of 29% and a net margin of 25% before tax, demonstrating financial discipline throughout its operations.

Operationally, the company adopted a multi-channel sales strategy, achieving a balanced mix of direct, corporate, and online sales. A key strategic decision was the adoption of a pre-purchase sales model, which enabled the company to overcome initial capital constraints and finance bulk purchasing. This approach proved critical in maintaining profitability while delivering a consistent product.

The Directors placed significant emphasis on quality and operational control. Standard Operating Procedures (SOPs) were developed to ensure consistency across procurement, assembly, and distribution. Each Comfort Kit was assigned a unique identifier, allowing full traceability from buyer to recipient. This structured approach not only ensured reliability but also positioned the company for future scalability.

Throughout the programme, the company encountered several challenges. These included pricing constraints following market research, the timing of product distribution, and the underperformance of certain initiatives such as the reverse advent calendar. Additionally, the team recognised the need to further enhance its digital content and presentation. These challenges were addressed through continuous adaptation, including supplier negotiation, cost control, and refinement of sales and marketing strategies.

A key lesson learned was the importance of balancing social impact with commercial sustainability. The company demonstrated that a purpose-driven model can be financially viable when supported by strong execution and structured processes. The experience also reinforced the value of teamwork, accountability, and data-driven decision-making.

Looking ahead, the Directors believe that the foundations established during the programme, including strong financial performance, structured operations, and validated demand, provide a solid platform for future growth. The company intends to explore opportunities for expansion through a licensing model supported by its documented processes and quality systems.

The Directors would like to thank all stakeholders, including shareholders, mentors, and customers, for their support throughout this journey.

Date                    11<sup>th</sup> April 2026