

Class Finance plc

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Date: 26th April 2023

Reference: 07/2023

COMPANY ANNOUNCEMENT

Variances

The following is a company announcement issued by Class Finance plc (the “**Company**”), having company registration number C 94741, issued in terms of the Prospects Rules, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange (“**Prospects MTF**”).

Quote

The Board of Directors of the Company, on 26th April 2023, considered and approved the Company’s Audited Consolidated Financial Statements for the financial year ended 31st December 2022.

The Board of Directors notes that material variances resulted between the Financial Sustainability Forecasts for 2022 which were published on the 30th May 2022 and the Actual Audited results for the financial year ended 31st December 2022. Any material differences are detailed below:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Audited Financial Statements 31.12.2022 €	Original Consolidated Projections 31.12.2022 €	Variance 31.12.2022 €
Revenue	1	9,832,331	10,639,870	(807,539)
Cost of Sales	2	(5,364,960)	(6,305,298)	940,338
Gross Profit		4,467,371	4,334,572	132,799
Other Income		288,161	251,755	36,406
Direct Overheads	3	(1,517,913)	(1,536,152)	18,239
InDirect Overheads		(1,391,447)	(1,480,585)	89,138
EBITDA		1,846,172	1,569,590	276,582
Finance Costs	4	(232,051)	(255,702)	23,651
Depreciation		(356,891)	(459,834)	102,943
Net Profit Before Tax		1,257,230	854,054	403,176
Tax		(306,139)	(290,378)	(15,761)
Net Profit After Tax		951,091	563,676	387,415

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Audited Financial Statements 31.12.2022 €	Original Consolidated Projections 31.12.2022 €	Variance 31.12.2022 €
ASSETS				
NON-CURRENT ASSETS				
Property, Plant & Equipmen	4	3,976,044	4,680,448	(704,404)
Investment in Associate	5	-	17,268	(17,268)
Deferred Tax		6,627	22,195	(15,568)
TOTAL NON-CURRENT ASSETS		3,982,671	4,719,911	(737,240)
CURRENT ASSETS				
Inventories	6	2,413,209	2,215,001	198,208
Receivables	7	5,292,406	2,579,589	2,712,817
Cash & Bank Balances		2,042,431	2,691,550	(649,119)
TOTAL CURRENT ASSETS		9,748,046	7,486,140	2,261,906
TOTAL ASSETS		13,730,717	12,206,051	1,524,666
EQUITY & LIABILITIES				
EQUITY				
Share Capital		373,400	373,400	-
Retained Earnings		5,362,380	4,997,803	364,577
Non-Controlling Interest	5	-	(17,408)	17,408
TOTAL EQUITY		5,735,780	5,353,795	381,985
NON-CURRENT LIABILITIES				
Bond Holders		2,991,174	3,000,000	(8,826)
Lease Liability	9	1,994,220	1,932,218	62,002
Bank Loans		-	58,219	(58,219)
TOTAL NON-CURRENT LIABILITIES		4,985,394	4,990,437	(5,043)
CURRENT LIABILITIES				
Payables	8	2,713,484	1,557,688	1,155,796
Bank Loan		128,498	104,185	24,313
Corporate Tax		22,433	41,805	(19,372)
Lease Liability	9	145,128	158,141	(13,013)
TOTAL CURRENT LIABILITIES		3,009,543	1,861,819	1,147,724
TOTAL EQUITY & LIABILITIES		13,730,717	12,206,051	1,524,666

Note 1 - Revenue

It was anticipated that exports would grow substantially in 2022 however the growth was limited in view of a number of regulatory changes. The group is currently preparing implementing a number of internal measures which will enable future exports.

Note 2 - Cost of Sales

The variance in cost of sales is due to lower revenue as per note (1) and bulk discounts provided by the suppliers

Note 3 - Direct & Indirect Overheads

The group implemented a number of efficiencies which resulted in a net saving compared to the budgeted spend.

Note 4 - Depreciation

The group had planned a number of investments in machinery and other equipment which actual delivery and installation happened after the reporting date

Note 5 - Investment in Associate

The group acquired the remaining 50% of the equity share of a Maltese company.

Note 6 - Inventories

The variance in inventories is due to bulk-buying in view of higher discounts provided by our suppliers. This has also helped the group to control the threat of high inflation and stabilize the prices for the consumers.

Note 7 -Trade & Other Receivables

The variance is due to to a particular debtor being granted extended credit terms after the reporting date and part of the bond-proceeds are still being held by the escrow agent.

Note 8 - Trade & Other Payables

to bulk-buying which amounts remained outstanding and within credit-terms as at reporting date.

Note 9 - Lease Liabilities

This represents the obligation to make lease payments and is measured at present value of future lease payments in accordance with IFRS 16 - Leases.

UNQUOTE

By order of the board

A handwritten signature in blue ink, appearing to be 'AM', written over a horizontal line.

Anton Magro
Company Secretary