

Class Finance plc

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Date: 29th April 2024

Reference: 06/2024

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 29th April 2024, considered and approved the Company’s Audited Consolidated Financial Statements for the financial year ended 31st December 2023.

The Board of Directors notes that material variances resulted between the Financial Sustainability Forecasts for 2022 which were published on the 26th April 2023 and the Actual Audited results for the financial year ended 31st December 2023. Any material differences are detailed below:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Audited Financial Statements 31.12.2023 €	Original Consolidated Projections 31.12.2023 €	Variance 31.12.2023 €
Revenue	1	9,913,444	10,182,511	(269,067)
Cost of Sales	2	(5,355,447)	(5,876,668)	521,221
Gross Profit		4,557,997	4,305,843	252,154
Other Income		307,931	373,770	(65,839)
Direct Overheads		(1,690,312)	(1,685,442)	(4,870)
InDirect Overheads		(1,483,179)	(1,477,909)	(5,270)
EBITDA		1,692,437	1,516,262	176,175
Finance Costs		(277,246)	(263,380)	(13,866)
Depreciation	3	(457,541)	(336,311)	(121,230)
Net Profit Before Tax		957,650	916,571	41,079
Tax		(277,074)	(307,051)	29,977
Net Profit After Tax		680,576	609,520	71,056

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Audited Financial Statements 31.12.2023 €	Original Consolidated Projections 31.12.2023 €	Variance 31.12.2023 €
ASSETS				
NON-CURRENT ASSETS				
Property, Plant & Equipment	3	5,200,675	4,078,716	1,121,959
Deferred Tax			112,279	(112,279)
TOTAL NON-CURRENT ASSETS		5,200,675	4,190,995	1,009,680
CURRENT ASSETS				
Inventories	4	2,783,078	2,315,400	467,678
Receivables	5	4,924,057	4,503,371	420,686
Current Tax Asset		155,158	-	
Cash & Bank Balances		893,659	2,856,577	(1,962,918)
TOTAL CURRENT ASSETS		8,755,952	9,675,348	(919,396)
TOTAL ASSETS		13,956,627	13,866,343	90,284
EQUITY & LIABILITIES				
EQUITY				
Share Capital		373,400	373,400	-
Retained Earnings		5,765,506	5,711,091	54,415
TOTAL EQUITY		6,138,906	6,084,491	54,415
NON-CURRENT LIABILITIES				
Borrowings		2,925,307	2,991,174	(65,867)
Lease Liability	7	1,818,908	1,919,102	- 100,194
Deferred Tax		33,760	76,911	(43,151)
TOTAL NON-CURRENT LIABILITIES		4,777,975	4,987,187	(209,212)
CURRENT LIABILITIES				
Payables	6	2,663,598	2,503,912	159,686
Borrowings		191,686	78,885	112,801
Coporate Tax		-	76,763	(76,763)
Lease Liability	7	184,462	135,105	49,357
TOTAL CURRENT LIABILITIES		3,039,746	2,794,665	245,081
TOTAL EQUITY & LIABILITIES		13,956,627	13,866,343	90,284

Note 1 - Revenue

Revenue Forecast was not achieved by EUR 269k. The growth forecasted for the local market was not achieved by a very small percentage. This is mainly due to less spending power by customers at a time when inflation was extremely high.

Note 2 - Cost of Sales

The group opted for bulk purchases in order to benefit from better thus increasing the gross profit margin.

Note 3 - Depreciation

The group had a number of overruns related to the capital expenditure of the upgraded factory and offices which works have been fully completed.

Note 4 - 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 5 -Trade & Other Receivables

The variance is due 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 6 - Trade & Other Payables

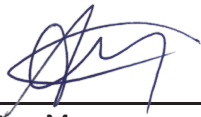
The group's trade and other payables have risen when compared to the original projections due to bulk-buying which amounts remained outstanding and within credit-terms as at reporting date.

Note 7 - 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



Anton Magro
Company Secretary