

Class Finance plc

UBT 13/14, San Gwann Industrial Estate,

San Gwann SGN 3000, Malta

Dear Sirs,

We report on the *proforma* consolidated statement of financial position and *proforma* consolidated income statement (“the Financial Information”) of Class Optical Manufacturing Ltd, Class Optical Ltd and Vision Opticians Ltd (the “Companies”) for the two financial years ending 31 December 2019 and 2020 (FY19 and FY20) as per Annex A. The *proforma* Financial Information are based on the audited financial statements of the Companies for the years ended 31 December 2019 and 2020.

Basis of Preparation

The Issuer was incorporated on the 30th January 2020 and acquired the ownership of the Guarantor, Vision Opticians Ltd and Class Optical Ltd on the 26th February 2020 (the Restructuring).

The *Proforma* financial information has been prepared for illustrative purposes only, to show the consolidated financial statements of the Issuer Group as if the Restructuring took place prior to the Issuer being incorporated.

The *Proforma* financial information comprises of a *Proforma* consolidated income statement for the financial years ended 31 December 2019 and 31 December 2020, and statement of financial position for the financial year ended 31 December 2019.

The *Proforma* financial information has been prepared by reference to the audited financial statements of the Guarantor, Vision Opticians and Class Optical as at 31 December 2019 and 31 December 2020. The *Proforma* financial information provides a clear indication of the historical financial situation of Issuer Group in view that the Issuer Group will be mainly performing the same activities of the Guarantor, Vision Opticians and Class Optical.

Because of its nature, the *Proforma* financial information does not represent the Issuer Group’s actual financial position. The *Proforma* financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Issuer Group.

Directors' responsibilities for the proforma financial information

The Directors are responsible for compiling the *Proforma* Consolidated Financial Information.

Accountant's responsibility

It is our responsibility to express an opinion about whether the Proforma financial information has been compiled, in so far as the application of the underlying assumptions and accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addresses, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with our statement, required by and given solely for the purposes of complying with the Prospects MTF Rules.

Basis of Opinion

We have examined the basis of compilation of the accompanying *Proforma Consolidated* Financial Information of the Company for the two years ending 31 December 2019 and 2020 in accordance with ISAE 3000 "Assurance Engagements Other than Audits and Reviews of Historical Financial Information". Our work included evaluating the basis on which the financial information included in the *proforma* had been prepared and considering whether the *proforma* has been accurately computed based upon the disclosed assumptions and accounting policies of the Company.

The assumptions upon which the proforma consolidated Financial Information is based is solely the responsibility of the Directors of Class Finance p.l.c. and accordingly we express no opinion on the validity of the assumptions. However, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors, which, in our opinion, are necessary for the proper understanding of the proforma Financial Information, gave not been disclosed and whether any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the proforma Financial Information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

The Proforma Consolidated Financial Information is not intended to and does not provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Issuer in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

Opinion

In our opinion, the proforma consolidated financial information has been properly compiled in the basis stated and the basis of accounting used is consistent with the accounting policies to be adopted by Class Finance p.l.c.



Alexander Micallef as director
in the name and on behalf of
Griffiths + Associates Ltd
Level 1, Casal Naxaro,
Labour Avenue,
Naxxar, NXR9021, Malta
28th December 2021

ANNEX A

Consolidated Income Statement

	Proforma* FY2019 €'000	Proforma** FY2020 €'000
Revenue	8,256	7,635
Cost of Sales	(4,548)	(4,287)
Gross Profit	3,707	3,347
Other Income	214	192
Direct Overheads	(1,590)	(1,119)
Indirect Overheads	(1,241)	(1,166)
EBITDA	1,091	1,254
Depreciation	(163)	(167)
Finance Costs	-	(8)
Profit before Tax	929	1,079
Taxation	(325)	(382)
Profit after Tax	604	697

% Gross Profit margin	44.9%	43.8%
% EBITDA margin	13.2%	16.4%
% PBT margin	11.2%	14.1%

**Proforma Consolidated Financial Statements for the period 1 January 2019 to 31 December 2019 were prepared using GAPSME.*

***Proforma Consolidated Financial Statements for the period 1 January 2020 to 31 December 2020 were prepared using IFRS*

Projected Consolidated Balance Sheet

	Proforma*	Proforma**
	FY2019	2020
	€'000	€'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	743	633
Investment in Joint Ventures	17	17
Total Non-Current Assets	760	651
Current Assets		
Inventory	2,588	2,157
Receivables	3,233	3,457
Bank & Cash	211	638
Total Current Assets	6,031	6,252
TOTAL ASSETS	6,791	6,902
EQUITY & LIABILITIES		
Equity		
Share Capital	362	373
Reserves	4,186	4,477
Total Equity	4,548	4,850
Long Term Liabilities		
Bank Loans	15	241
Deferred Tax	73	44
Total Long-Term Liabilities	88	285
Current Liabilities		
Payables	1,856	1,639
Current Tax	213	36
Bank Loans	86	91
Total Current Liabilities	2,155	1,767
TOTAL EQUITY & LIABILITIES	6,791	6,902

**Proforma Consolidated Financial Statements for the period 1 January 2019 to 31 December 2019 were prepared using GAPSME.*

***Proforma Consolidated Financial Statements for the period 1 January 2020 to 31 December 2020 were prepared using IFRS*