CCFinance Group

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by CC Finance Group plc ("the Company"), in terms of the Rules of Prospects MTF, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange ("Prospects MTF Rules").

Interim Unaudited Financial Statements
Date: 17th August 2022
Reference: CCF/CA- 61/22

Quote

In a meeting of the Board of Directors held today, the 17th of August 2022, the Board of Directors of the Company approved the Group's Interim Unaudited Financial Statements for the period ending 30th June 2022. The Financial Statements are also available for viewing on the website of the Company at: https://cc.com.mt/investor-relations/

Interim Report Highlights

CC Finance Group

- During the first half of the year, the Group reached a number of strategic milestones relating to its core software system, which underpins the service offered to the clients of Calamatta Cuschieri and Moneybase. This in-house built system, allows the Group to customise its software for the specific needs of its customers, ensuring that the latest software trends and functionality are adapted ahead of the market.
- The final steps of the 2021 restructuring exercise were completed during the first half of the year. Further steps to enhance the Group's structure, as announced on 11th August 2022 (company announcement CA 60/22) and subject to regulatory approval, will be carried out by the end of the year. This exercise will see the Group transform into 3 sub-groups, each having its own governance structures.
- The overall negative result of the period was due to the investment in human resources put in place during 2021 in order to support the long-term growth of each sub-group, increasing administrative costs through professional and IT fees. Overall revenue for Calamatta Cuschieri was also lower than expected due to the impact of market volatility and investor sentiment.

Calamatta Cuschieri

- With record Net Inflows of €63.4m, Calamatta Cuschieri continues to increase its client base and assets that saw accelerating inflows. These inflows were offset by market movements of -12%, resulting in total client assets decreasing by 8%.
- Six local capital market issues in which Calamatta Cuschieri was involved totalling €126.5m were distributed over the period. Calamatta Cuschieri continues to be a leader in the sponsoring, manager role and distribution of new capital market issues and the Group expects a further uptick in activity in H2 of 2022 and the start of 2023.
- Payment accounts and personal IBAN accounts were rolled out for Calamatta Cuschieri clients, giving them the functionality to conveniently transfer inwards as well as effecting payments from the payment account linked to their CC account provided by Moneybase.
- Revenues were lower than the same period last year due to the market volatility, mainly triggered by the Russia-Ukraine conflict, as well as other economic factors linked to the COVID-19 pandemic and monetary policy over the past few years.

Moneybase

- The launch of Moneybase was a major milestone achieved after a *circa* €10m investment over 5 years. The Moneybase and Moneybase Invest applications bring together investment and payment services, based upon our proprietary next gen core software system.
- CC Trader rebranded to Moneybase Invest; originally launched in 2011 and consistently enhanced by its in-house software development team, Moneybase Invest is now part of the Moneybase ecosystem where users can seamlessly switch between applications.
- Moneybase recently launched functionality for pre- and post-market trading on US Markets providing access to markets for an additional 9 and a half hours.
- Several more enhancements on the Moneybase platform are planned in coming 12 months.

CC Fund Services

- The aggregate revenue of CC Fund Services increased by 25% over the same period in 2021. The aggregate bottom-line performance has been affected by the investment in the Luxembourg operation which, during the first half of the year, successfully onboarded its first client, with a number of mandates signed and others expected to commence in the near future.
- CC Fund Services finalised an agreement with a new software provider, Systemic RM SA, for its fund accounting, transfer agency and registrar functions. This software includes live client screening and automates a number of functions that will yield efficiencies as operations are scaled up.

Outlook

The Group is well positioned to capitalise on all 3 business divisions in the coming quarters. Local macro-economic challenges persist due to the challenging employment market, which makes resources difficult to find, and the overall wage inflation being experienced. Globally, the volatile markets and economic headwinds remain a risk for investor sentiment and value of assets under management.

Despite these challenges, the Group expects to make up lost ground on its revenue target in the second half of the year, driven by an expected improvement in investor sentiment, a very busy issuance period on the local market, a number of new mandates at CC Fund Services, and new revenue that is being registered from Moneybase, which only launched at the beginning of April.

Unquote

Kari Pisani
B.A, LL.D. MSc.
Company Secretary

INTERIM REPORT

2022

CCFinance Group

Contents

CC Finance Group is a privately held financial services and Fintech group that operates 3 sub-groups: Calamatta Cuschieri (Investment Services & Wealth Management), CC Fund Services (Fund Services), and Moneybase (Online Trading, Electronic Money & Payments).

With roots dating back to 1971, the Group today is evolving at a fast pace whilst keeping the same core principles; that of providing clients with the best service using the latest technology and the top professionals in the field, whilst ensuring the strictest governance and ethics.

1 Financial Highlights

Total Clients	Net Flows	AuMA
+6.7%	-49.9%	-7.8%
H1 2022: 40,020 H1 2021: 37,498	H1 2022: €77.9m H1 2021: €155.5m	H1 2022: €2.10bn H2 2021: €2.28bn

Revenue	Operating Expenses	Staff Costs
-3.5%	+47.5%	+2.2%
H1 2022: €6.16m H1 2021: €6.38m	H1 2022: €1.88m H1 2021: €1.27m	H1 2022: €4.06m H1 2021: €3.97m

EBITDA	Total Assets	Equity
-111.4%	+4.1%	-7.3%
H1 2022: (€0.57m) H1 2021: €4.95m	H1 2022: €25.83m H2 2021: €24.82m	H1 2022: €10.35m H2 2021: €11.17m

Assets under Management and Administration (AuMA)

This measure includes all clients' assets held with the Group, including assets held on behalf of customers under nominee, assets under discretionary and fund management, assets administered by the Group, and deposits. During the first half of 2022, AuMA of the Group decreased by 8%, from €2.3bn to €2.1bn, due to market movements.

Inflows for Calamatta Cuschieri continued to increase steadily year on year, but increased at a slower rate at CC Fund Services and Moneybase. This is attributed to the market correction and resultant hit on investor sentiment experienced during the second quarter of the year.

Market movements reduced AuMA by 11% in line with the reduction of asset prices globally, which offset the positive variance in net inflows. We expect to experience a partial reversal of market prices through the end of the year with July already showing positive signs. The below table shows the net flows for each business line and market movements experienced during the first half of the year.

	AuMA 31.12.2021	Net Flows	Net Flows	Market Movements	Market Movements	AuMA 30.06.2022	AuMA Change
	€m	€m	%	€m	%	€m	%
Calamatta Cuschieri	1,173.9	63.4	5%	(143.7)	-12%	1,093.6	-7%
Moneybase	356.4	4.8	1%	(43.3)	-12%	317.9	-11%
CC Fund Services	1,117.6	19.8	2%	(116.1)	-10%	1,021.3	-9%
Less Double Counting	(370.3)	(10.1)	3%	47.2	13%	(333.1)	-10%
	2,277.6	**77.9**	**3%**	**(256.0)**	**-11%**	**2,099.6**	**-8%**

2 Chief Executive Officers' Review

The first half of 2022 was an engaging period for CC Finance Group with a number of successes and headwinds experienced. Without a doubt, the main success was the launch of Moneybase, which included the re-branding of CC Trader to Moneybase Invest. After four years of development, this product launch was a major milestone for the Group. Our new proprietary core banking and wealth management platform is now providing Calamatta Cuschieri and Moneybase with new capabilities that have unlocked new opportunities and revenue streams, as well as further enhancing the client experience.

As announced in our 2021 Annual Report, this year we are celebrating our 50th Anniversary, an occasion that we marked with an event that was held in June. A few days later the Financial Action Task Force (FATF) removed Malta from its increased monitoring list, which was met with great relief from the local industry. We believe that Malta as a jurisdiction has emerged stronger and can now look forward with confidence to continued improvement as it aims to set new standards within the EU. We note with satisfaction that Malta has become amongst the very first EU Member States, together with only two other jurisdictions (as at 8th June 2022), that have connected successfully to the BORIS, which is the decentralised system connecting the central national BO registers and the European e-Justice Portal through the European Central Platform, enabling the sharing of data between all EU Member States.

Financially, the first half of the year was impacted by the Ukraine-Russia war, which, together with inflationary woes and post-COVID-19 supply and labour issues, has led to a heavy market sell-off that has impacted our financial performance for the period.

We have recently announced further group restructuring that will continue to build on the restructuring carried out in 2021 and which consolidated a number of companies. This restructuring will aim to organise the Group into 3 distinct sub-groups which over time will form their own management teams and rely less on shared group resources.

Calamatta Cuschieri

We experienced a positive start to the year with Q1 ahead of the pace set in 2021, supported by a buoyant market and a number of local issues. However, investor confidence was quickly quashed when Russia invaded Ukraine on the 24th of February and concern emerged on high inflation, supply chain problems, COVID-19 resurgence in China and global shortages of workers. This effect has led to a number of investors holding back planned investments until some of the uncertainty subsides, which in turn has had a negative overall effect on revenue. Despite the negative effect on trading commissions and management fees due to reduction in net asset valuations, Calamatta Cuschieri recorded a positive Net inflow of €63m for the first half of 2022, an increase on H1 2021 of 20% or €10.5m.

The announced restructuring within CC Funds SICAV plc was completed this year with the merging of our High-Income Fund strategies aimed at improving the performance of the fund. Despite the reduction in Net Asset Values due to market movements, the SICAV reported a positive Net inflow during the first half of €7m, closing the period at a Net Asset Value of €139m.

Our capital markets offering started the year with the distribution of a bond licensed in late December, namely the €15.5m 4.55% St Anthony Co plc 2032, which was followed by another 5 issues, including:

- **€50m 4% Hili Finance Company plc 2027**
- **€3m 4.9% Class Finance plc 2032**
- **€5m 6% Ferratum Bank plc 2032**
- **€50m 4.3% Mercury Projects Finance plc 2032**
- **€3m 6.25% 42 Invest plc 2023-2025**

Besides bond issues in which CC was involved as sponsor or manager, there were a number of other bonds and equities issued during the first half of the year, and our expectation is that 2022 will be a record year for the Maltese market in terms of the number of issues and in terms of the value of securities offered and taken up by the market.

CC Fund Services

As announced by the Group, the CC Fund Services Group is currently waiting for regulatory approval to complete its restructuring where CC Finance Group will own 80% of CC FS Holding Ltd, which in turn will own 100% of the Luxembourg and Malta operations. CC Fund Services is providing full-service fund administration services from both Luxembourg and Malta. We have been actively showcasing such services across Europe and the results have been very encouraging.

CC Fund Services (Malta) had a record six months with revenue increasing by 25% over the same period in 2021 and as a result, EBITDA increased by 136% to €370k for the first 6 months of the year. The investment made in our Luxembourg subsidiary, CC Fund Services (Luxembourg), started to register revenue over the last few months of the period, with a number of clients expected to be onboarded and active by the end of the year. In 2023 we expect to reduce the loss substantially with breakeven achieved in 2024. The EBITDA for the half registered in Luxembourg is a negative (€0.24m).

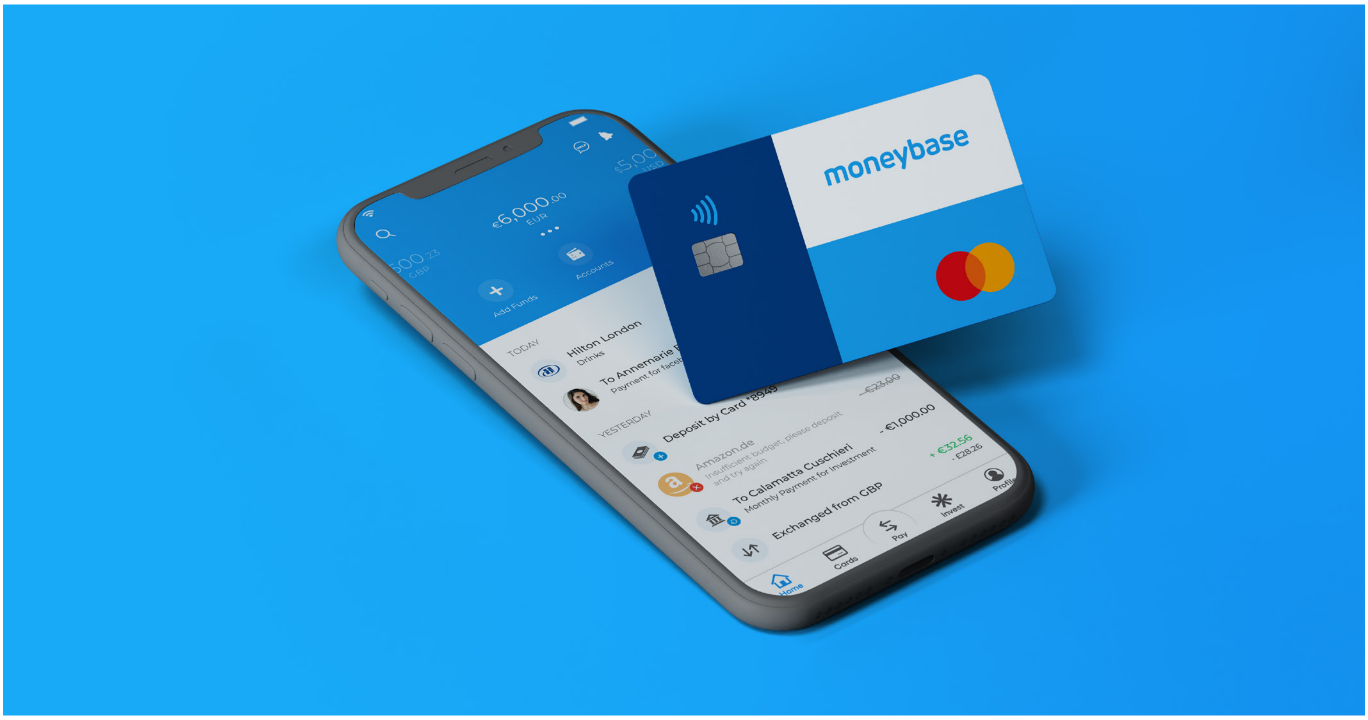
The CC Fund Services Group has continued to increase its work force, which now stands at 46 individuals working from our offices in Luxembourg and Malta and also remotely. We expect to continue the positive momentum during the second half of the year, with a number of mandates signed in recent months.

Moneybase

The public launch of Moneybase on the 29th of April 2022 was a historic achievement for the Group and its clients. With the aim of making money simple, we launched a next-generation proprietary payments and wealth platform that provides users with a superior experience and that offers SEPA payments, physical and virtual Mastercards, and a wide selection of investments, all on the same platform. Moneybase, which is another first for Malta, was received with an overwhelmingly positive response.

At the end of May, we launched P2P (person-to-person) payments to facilitate instant money transfers between Moneybase users. We will continue to launch several features in the coming months and we are collaborating with various partners, such as banks and other providers, to continue to take the platform to new heights.

To date Moneybase has over 18,000 active clients. The first half of the year was slightly ahead of H1 2021 in terms of trading revenue but slower on the foreign exchange revenue. With the increase in users and also an expected market recovery, we are cautiously optimistic about the additional revenue we can add in the second half of 2022. We expect this to continue to accelerate throughout 2023 as more new features become available.



Financial performance

The Group's sub-groups are at different stages of their development, with Calamatta Cuschieri (CC) being the most mature business. This business was impacted the most during the first half of the year due to the market correction. CC Fund Services has had a record top and bottom line in Malta during the period. However, this was offset by the performance of the recently launched Luxembourg subsidiary that only started generating revenue in May. Moneybase Invest experienced year on year increases in revenue from trading, and Moneybase has just launched a state of the art app for all things finance in the beginning of May. Despite having seen encouraging signs from the user growth experienced until June, this is still not tangible revenue at the end of the period under review.

On a consolidated basis the Group is reporting a decrease in revenue of €225k or 3.5% relative to the same period last year, reaching a figure of €6.16m for the period under review. Despite this, we expect the second half of the year to make up for this shortfall and we expect our full year revenue to surpass that achieved in 2021. This is due to the expected mandates already signed at CC Fund Services, Moneybase completing a full 6 months of operations, with a healthy increase of customers experienced daily and an expected market recovery towards the end of the year.

The Group's negative EBITDA stood at €566k, a decrease of 111% relative to the same period last year.

Pro forma segmented financial information

	Calamatta Cuschieri	CC Fund Services	Moneybase	CC Finance Group & Consolidation entries	Total
Revenue	3.93	1.24	1.46	(0.47)	6.16
Net Revenue	3.54	1.20	1.30	(0.55)	5.50
Salaries	(1.54)	(0.77)	(1.60)	(0.15)	(4.06)
Expenses	(1.10)	(0.32)	(0.80)	0.50	(1.72)
EBITDA	0.90	0.11	(1.10)	(0.32)	(0.41)
EBITDA Margin	25.5%	9.2%	(84.6%)		(6.7%)

The above table is an illustration of the main financial indicators of the 3 main sub-groups of the CC Finance Group and takes into account the proposed restructuring that is to take place in the second half of 2022. Thus, the pro forma segmented financial information has been prepared for this section of the report only, for illustrative purposes only, and addresses a hypothetical situation that is not yet actual but intended, described hereunder.

The pro forma segmented financial information has been prepared using the interim unaudited consolidated results of the Group for the period ended 30th June 2022 and hypothetically assumes that:

- CC Finance Group will acquire 100% shareholding of CC IP Holding Limited later in the year, which is being reflected from the beginning of 2022, including the termination of payment of a royalty;

- A licence and maintenance agreement will be put in place between Calamatta Cuschieri and Moneybase for an annual value of €750,000 and €250,000, respectively, for the licence of software referred to as the core system and portfolio management system;
- Salaries have been shifted to the relevant sub-group and recharges of salaries have been re-evaluated in line with time spent;
- Expenses have been apportioned based on actual metrics of the specific sub-group; and
- The liquidation of Crystal Finance Investments Ltd which is currently in process and the planned liquidation of Moneybase UAB.

H2 2022 outlook

The Group has a very focused strategy at both the Group and sub-group level, and the management team will continue pushing to execute the strategy as set out by the Board of Directors. There are a number of challenges, particularly with the overall economic climate, investor confidence and scarcity of human resources in certain areas. With Moneybase now launched, CC Fund Services achieving steady growth and Calamatta Cuschieri expected to conclude a number of local security issues, we expect to make up the lost ground experienced during the first half of the year.

We intend to complete our proposed restructuring during the second half of the year and management is already working hard to set the momentum on all 3 businesses for a recovery in 2023. The Group ended the first half of the year with 192 employees, and we would like to thank all our colleagues who have given their best every day in order to collectively achieve our success and vision.

Nick Calamatta
Co-CEO

Alan Cuschieri
Co-CEO

17th August 2022

3 Company Information

Company Name	CC Finance Group plc	
Reg. No:	C 85280	
Registered Office	Ewropa Business Centre Triq Dun Karm, Birkirkara BKR 9034, Malta	
Country of Incorporation	Malta	
Auditor	Deloitte Audit Limited Triq L-Intornjatur, Central Business District CBD 3050, Malta	
Banker	Bank of Valletta p.l.c. 45, Republic Street, Valletta VLT 1113, Malta	
Legal Advisors	GANADO Advocates 171, Old Bakery Street, Valletta VLT 1455, Malta	GVZH Advocates 192, Old Bakery Street, Valletta VLT 1455, Malta
Corporate Advisor	DF Advocates Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema SLM 1607, Malta	

4 Interim Directors' Report

This Interim Report is being published in terms of Chapter 4 of the Prospects MTF Rules of the Malta Stock Exchange and the Prevention of Financial Markets Abuse Act, 2005. The Interim Report comprises the unaudited condensed interim financial statements for the six months ended 30th June 2022, prepared in accordance with IAS 34, 'Interim Financial reporting'. The comparative information has been extracted from the unaudited financial statements for the period ended 30th June 2021 and the audited financial statements for the year ended 31st December 2021.

Principal activities

The Group's principal activity is to carry on the business of a finance Group in connection with ownership, development, operation and financing of the business activities of the companies forming part of CC Finance Group plc group of companies.

Performance review

During the period under review, the Group generated a loss before tax of €0.88m (2021 - profit of €4.5m) and closed the period with a net asset position of €10.4m (2021 - €11.2m). Approved by the Board of Directors on the 17th August 2022 and signed on its behalf by:

Charles Borg
Director

Kari Pisani
Director

17th August 2022

5 Consolidated statement of profit or loss and other comprehensive income

	2022	2021
	€	€
Revenue	**6,158,924**	6,384,246
Direct costs	**(662,408)**	(729,126)
Gross profit	**5,496,516**	5,655,120
Staff costs	**(4,061,138)**	(3,972,891)
Other administrative costs	**(1,878,326)**	(1,273,552)
Share of loss from joint venture	**(14,778)**	(34,227)
Gain on sale of intangible asset	**-**	4,427,407
Other income	**(108,276)**	144,488
EBITDA	**(566,002)**	4,946,345
Interest income	**207,117**	65,304
Interest expense	**(135,216)**	(97,429)
Depreciation and amortisation	**(347,419)**	(352,659)
(Loss)/profit before tax	**(841,520)**	4,561,561
Income tax expense	**(38,021)**	(48,160)
(Loss)/profit for the period/total comprehensive income for the period	**(879,541)**	4,513,401
(Loss)/profit for the period/total comprehensive income/(expense) for the period attributable to non-controlling interest	**(10,113)**	(2,612)
(Loss)/profit for the period/total comprehensive income/(expense) for the period attributable to parent	**(869,428)**	4,516,013

6 Consolidated statement of financial position

	2022 €	2021 €
ASSETS		
Non-current assets		
Intangible assets	**134,325**	190,594
Property, plant and equipment	**651,564**	730,174
Investment property	**3,615,185**	3,615,185
Investment in joint venture	**135,134**	149,912
Right of use asset - lease	**1,348,024**	1,499,441
Fair value through profit and loss investments	**1,018,540**	1,164,270
Loans and receivables	**6,823,481**	6,934,655
Deferred tax asset	**1,914,054**	1,914,054
	15,640,307	16,198,285
Current assets		
Trade and other receivables	**2,680,545**	3,196,565
Inventory	**61,653**	69,034
Cash and cash equivalents	**2,459,135**	2,709,290
Advances to bank	**4,866,576**	2,449,711
Current tax asset	**124,497**	197,198
	10,192,406	8,621,798
Total assets	**25,832,713**	24,820,083
Current liabilities		
Trade and other payables	**3,640,653**	4,128,540
Amounts due to customers	**4,866,576**	2,449,711
Lease liability - current	**295,209**	295,209
Bank borrowings	**1,440,864**	1,213,999
Current tax liabilities	**5,547**	70,151
	10,248,849	8,157,610
Non-current liabilities		
Interest bearing loans and borrowings	**3,978,453**	3,973,094
Lease liability - non-current	**1,106,539**	1,347,503
Deferred tax liability	**44**	8,141
Bank borrowings	**96,031**	96,031
	5,181,067	5,424,769
Total liabilities	**15,429,916**	13,582,381
Net assets	**10,402,797**	11,237,704
EQUITY		
Share capital	**2,000,000**	2,000,000
Other reserves	**44,634**	-
Retained earnings	**8,303,751**	9,173,179
Investor compensation scheme reserve	**6,021**	6,021
Attributable to equity holders of the parent	**10,354,406**	11,179,200
Non-controlling interest	**48,391**	58,504
Total equity	**10,402,797**	11,237,704

These consolidated financial statements were approved by the board of directors, authorised for issue on 17th August 2022 and signed by:

Charles Borg
Director

Kari Pisani
Director

7 Consolidated statement of changes in equity

	Share capital €	Other reserves €	Investor Compensation Scheme €	Retained earnings €	Total €
Balance at 01.01.2021	50,000	5,116,592	10,442	811,556	5,988,590
Issue of share capital	1,950,000	-	-	(1,950,000)	-
Effect of merger	-	(5,116,592)	-	6,066,170	949,578
Effect of restructuring	-	-	-	(992,063)	(992,063)
Movement for the year	-	-	(4,421)	-	(4,421)
Dividends	-	-	-	(200,000)	(200,000)
Profit for the year/ total comprehensive income for the year	-	-	-	5,368,072	5,368,072
Non-controlling interest	-	-	-	69,444	69,444
Balance at 01.01.2022	2,000,000	-	6,021	9,173,179	11,179,200
Loss for the year/ total comprehensive expense for the year	-	-	-	(879,541)	(879,541)
Share award scheme expense	-	44,634	-	-	44,634
Non-controlling interest	-	-	-	10,113	10,113
Balance at 30.06.2022	**50,000**	**44,634**	**6,021**	**8,303,751**	**10,354,406**

8 Consolidated statement of cash flows

	2022 €	2021 €
Cash flows from operating activities		
(Loss)/profit before tax	**(841,520)**	4,561,562
Adjustments for:		
Depreciation and amortisation	**347,420**	352,659
Amortisation of bond costs	**5,359**	4,092
Movement in fair value of financial instruments at FVTPL	**145,726**	(20,566)
Fair value gain on investment property	**-**	(43,865)
Royalty fee	**162,500**	-
Gain on disposal of intangible asset	**-**	(4,427,407)
Share of loss in joint venture	**14,778**	22,500
Interest income	**(207,117)**	(65,304)
Share award scheme	**44,634**	-
Interest expense	**135,216**	97,429
Operating (loss)/profit before working capital movement	**(193,004)**	481,100
Movement in trade and other receivables	**516,020**	149,609
Movement in inventories	**7,383**	(10,111)
Movement in trade and other payables	**(394,084)**	(340,653)
Movement in amounts due to customers	**2,416,865**	548,027
Movement in advances to banks	**(2,416,865)**	(548,027)
Cash flows generated from/(used in) operations	**(63,685)**	279,945
Income tax received	**-**	60,522
Income tax paid	**(38,022)**	(26,975)
Net cash flows from/(used in) operating activities	**(101,707)**	313,492
Cash flows used in investing activities		
Purchase of property, plant and equipment and intangibles	**(61,124)**	(154,651)
Purchase of intangible assets	**-**	(43,613)
Investment into joint venture	**-**	(100,000)
Payments to acquire financial instruments	**(349,074)**	-
Proceeds from sale of financial instruments	**323,074**	50,268
Dividends paid	**-**	(100,000)
Interest received	**155,791**	65,344
Net cash flows from/(used in) investing activities	**68,667**	(282,652)
Cash flows from financing activities		
Repayment of leases	**(229,613)**	(208,795)
Repayments of from borrowings	**(29,844)**	(33,498)
Interest paid	**(217,845)**	(175,400)
Net cash flows from/(used in) financing activities	**(477,302)**	(417,693)
Cash taken over on merger	**-**	1,031,539
Net movement in cash and cash equivalents	**(510,342)**	(386,853)
Cash and cash equivalents at the beginning of the year	**1,558,039**	699,350
Cash and cash equivalents at the end of the year	**1,047,697**	1,344,036

9 Notes to the consolidated financial statements

9.1 The Group and its operations

The Group consists of CC Finance Group plc, i.e. Holding Company and its subsidiaries.

CC Finance Group plc (the "Company")

The Company was incorporated on 9th March 2018 in Malta, under the Companies Act, 1995, as a public limited company having limited liability, with the registration number C 85280. The registered office of the Company is located at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta. The Company was formed to act as a holding company for the "CC Finance Group" (the "Group") and also for the issuance of a bond on the Prospects MTF market.

Subsidiaries

Calamatta Cuschieri Investment Services Limited ("CCIS")

Calamatta Cuschieri Investment Services Limited was incorporated on 30th March 1992 in Malta, under the Companies Act, 1995, as a limited liability company, with the registration number C 13729. The registered office of the Company is located at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta. CCIS provides advice and financial consultancy to its customers in return for a commission on brokerage dealings in securities. On 4th December 2008, CCIS was granted a Category 3 licence issued by the Malta Financial Services Authority, as the competent authority under the Investment Services Act (Cap. 370). This licence gives CCIS the full right to deal directly in international markets and to hold and control clients' money and assets. CCIS also owns 100% of Crystal Finance Investments Limited, a non-trading entity that is currently in dissolution.

Calamatta Cuschieri Investment Management Limited ("CCIM")

Calamatta Cuschieri Investment Management Limited was incorporated on 10th June 2011 in Malta, under the Companies Act, 1995, as a limited liability company, with the registration number C 53094. The registered office of the Company is located at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta. The principal activity of CCIM is the provision of investment services as a Category 2 licence holder, issued by the Malta Financial Services Authority, as the competent authority under the Investment Services Act (Cap. 370).

Moneybase Ltd

Moneybase Ltd was incorporated on 4th July 2018 in Malta as a limited liability company with registration number C 87193. The registered office of the Company is located at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta. The principal objective of the company is to provide electronic money and payment services as defined in the Second and Third Schedule to the Financial Institutions Act (Chapter 376 of the Laws of Malta).

Moneybase UAB

Moneybase UAB was incorporated on 12th September 2019 in Lithuania as a limited liability company with registration number 305286882. The registered office of the Company is located at Upes str. 23, Vilnius, the Republic of Lithuania. The company is a dormant company.

CC FS Holding Limited

CCFS Holding was incorporated on 22nd January 2019, under the laws of Malta, as a limited liability company, with the registration number C 90343. The registered office of Moneybase is located at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta. The company acts as a holding company and invests in fund services business worldwide. The company owns 100% of CC Fund Services (Luxembourg) Sarl.

CC Fund Services (Malta) Limited

CC Fund Services (Malta) Limited was incorporated on 2nd December 2008 in Malta, under the Companies Act, 1995, as a limited liability company, with the registration number C 45733. The registered office of the company is located at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta. The principal objective of CC Fund Services (Malta) Limited is to provide administration, transfer agency and related services to collective investment schemes in terms of the Investment Services Act, 1994. CC Fund Services (Malta) Limited is also involved in the provision of corporate and advisory services to local companies in accordance with the Company Service Provider Act, 2013.

CC Fund Services (Luxembourg) Sarl
CC Fund Services (Luxembourg) Sarl was incorporated on 28th October 2020, with the registration number B248341. The registered office of the Company is 20, Rue Eugene Ruppert, L-2453 Luxembourg. The company obtained its regulatory licence on 1st March 2021. The principal objective of CC Fund Services (Luxembourg) Sarl is to provide fund services in Luxembourg.

9.2 Basis of consolidation and preparation

The interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the EU. The condensed interim financial statements have been extracted from the management accounts for the six months ended 30th June 2022.

The financial information as at 30th June 2022 and for its six months then ended reflect the financial position and performance of CC Finance Group plc and its subsidiaries, as explained in Note 10.1. The comparative amounts reflect the financial position as included in the audited financial statements ended 31st December 2021 and the financial results for the period ended 30th June 2022.

The Interim 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 and the Company's annual financial statements as at 31st December 2021, which form the basis for these Interim Financial Statements. These Interim Financial Statements are intended to provide an update on the latest complete set of annual financial statements and accordingly they focus on new activities, events and circumstances.

The significant accounting policies and methods of computation used in the preparation of these condensed interim financial statements are consistent with those used in the Group's and the Company's audited financial statements for the year ended 31st December 2021, unless otherwise disclosed below in the section entitled 'IFRS applicable in the current year'. These policies are described in Note 15.3 of the audited financial statements for the year ended 31st December 2021.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. Where necessary, in preparing these consolidated financial statements, appropriate adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by group entities. Intra-group balances, transactions, income and expenses are eliminated on consolidation.

9.3 Initial Application of International Financial Reporting Standards and International Financial Reporting Standards in issue but not yet effective

Initial Application of International Financial Reporting Standards (IFRS)
The following amendments to the existing standards issued by the International Accounting Standards Board (IAS B) are effective for the current year:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 'Interest Rate Benchmark Reform – Phase 2' - Phase 2 of the project addresses issues that might affect financial reporting when an existing interest rate benchmark is actually replaced. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

In respect of the modification of financial assets, financial liabilities and lease liabilities, the IAS B introduces a practical expedient for modifications required by the reform (modifications required as a direct consequence of the Interbank Offered Rates (IBOR) reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using the current IFRS requirements. A similar practical expedient is proposed for lessee accounting applying IFRS 16.

International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following standards, revisions and interpretations were in issue but not yet effective:

IAS 1 'Classification of Liabilities as Current or Non-Current' - The amendments affect only the presentation of liabilities in the statement of financial position and not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They clarify that:

the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the working in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and

settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

This is not yet endorsed by the EU.

IAS 16 'Property, plant and equipment - proceeds before intended use' – The amendments address the proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

IFRS 9 'Financial Instruments' - The amendments clarify which fees an entity includes when it applies the '10 percent test' in assessing whether to derecognise a financial liability.

IAS 1 and IFRS Practice Statement 2 'Disclosure of Accounting Policies' - The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments amend IAS 1 in the following ways:

an entity is now required to disclose its material accounting policy information instead of its significant accounting policies;

several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;

the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;

the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and

the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1.

This is not yet endorsed by the EU.

IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' - The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

Prior to the Amendments, there had been some uncertainty about whether the IAS 12 exemption from recognising deferred tax applied to transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions.

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognises deferred tax for all temporary differences related to leases and decommissioning obligations and recognises the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

This is not yet endorsed by the EU.

IAS 8 'Definition of Accounting Estimates' - The amendments are intended to help entities distinguish between accounting policies and accounting estimates. The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

> The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
>
> Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Board clarifies that a change in accounting estimates that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

This is not yet endorsed by the EU.

The Directors believe that the introduction of such IFRSs will not result in any significant impact on these financial statements.

9.4 Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made no changes to judgements which can significantly affect the amounts recognised in the financial statements and, at the end of the reporting period, there were no key assumptions concerning the future or any other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

9.5 Dividends

The Company did not declare any dividends during the period (2021 - net dividend of €100,000).

9.6 Investment property

THE GROUP	Directly Owned Property Asset	Right-of-Use of Property Asset	Total
	€	€	€
At 01.01.2021	3,309,185	595,421	3,904,606
Effect of merger	306,000	-	306,000
Movement in fair value	-	(595,421)	(595,421)
At 01.01.2022	3,615,185	-	3,615,185
Additions	-	-	-
Increase in fair value	-	-	-
At 30.06.2022	3,615,185	-	3,615,185
Carrying Value			
At 31.12.2021	3,615,185	-	3,615,185
At 30.06.2022	**3,615,185**	**-**	**3,615,185**

The investment property held represents an old Palazzo in Valletta. This property was revalued by an independent architect in December 2016. Fair value has been determined by reference to the rental yield that can be generated from this property once complete, net of any costs to complete.

Right of use property asset represents the discounted fair value of the future cash flows receivable from the properties sub-let in Valletta as a result of the transition to IFRS 16 as at 1 January 2019. Both investment properties are classified as Level 3 in the fair value hierarchy. The following comprise the significant observable inputs and the corresponding sensitivity.

Significant observable input	**Sensitivity**
Rental value per square metre, ranging from €100 to €230	The higher the price per square metre, the higher the fair value
Increase in rental rate of 2% per annum	The higher the growth rate, the higher the fair value
Discount factor 6% to 7%	The higher the discount factor the lower the value

Changes in fair value are recognised as gains in the profit and loss account and included in 'other income'. All gains are unrealised.

9.7 Fair value through profit and loss investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

At 30th June 2022 and 31st December 2021, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3.

Fair value measurement at end of the reporting period:

	2022	2021
	€	€
Level 1		
Fair value through profit or loss:		
· Foreign listed debt instruments	**1,015,534**	1,161,264
· Local listed debt instruments	**2,006**	2,006
Level 2		
Fair value through profit or loss:		
Unlisted collective investment schemes	**1,000**	1,000
	1,018,540	1,164,270

The fair value of loans and receivables classified as non-current financial assets and bank loans classified as non-current financial liabilities that are not measured at fair value are not materially different from their carrying amounts.

9.8 Interest bearing loans and borrowings

	2022 €	2021 €
4.25% Bond nominal balance payable	**4,000,000**	4,000,000
Bond issue costs	**(54,150)**	(54,150)
Accumulated amortization of bond issue costs	**32,603**	27,244
	3,978,453	3,973,094

9.9 Commitments

The Group enjoys an overdraft facility of *€1,500,000*, a revolving credit facility of *€1,500,000* and a loan of *€125,457* with Bank of Valletta plc, which is secured by a general hypotec over the Company's assets, supported by a special hypotec for *€1,500,000* on commercial premises in Valletta and a pledge over the Group's investment portfolio up to a value of *€1,000,000.*

Guarantees

As at 30th June 2022, the Group has provided a guarantee to an unrelated party for the operating lease of the immovable property on a 5-year term deposit held with a local bank as disclosed below. No liability is expected to arise.

As at 30th June 2022, HSBC Bank Malta p.l.c. held a bank guarantee for an amount of *€23,300 (2021: €23,300)* in respect of amounts blocked by the Malta Stock Exchange to cover trade settlements.

Operating lease commitments - Group as lessee

The Group has entered into operating leases on immovable property, with lease terms for a minimum of five years and ten years. The Group has the option, under some of its leases, to lease the property for additional terms of 5 to 10 years.

Future minimum rentals payable under non-cancellable operating leases as at 30th June 2022 are as follows:

	2022 €	2021 €
Not later than one year	**456,099**	456,099
Later than one year and not later than five years	**1,892,863**	1,892,863
	2,348,962	2,348,962

Operating lease commitments – company as lessor

The Group has entered into an operating lease on leased immovable property, with the lease term for a minimum of three years. The Group has the option to lease the property for additional term of between 2 to 6 years.

Future minimum lease payments due to the Group under non-cancellable operating leases are as follows:

	2022 €	2021 €
Not later than one year	**119,900**	119,900
Later than one year and not later than five years	**513,139**	513,139
	633,039	633,039

The lessees do not have an option to purchase the properties at the expiry of the lease period.

9.10 Related party disclosures

The Company is jointly controlled by Taurus Investments Limited and Gardell Investments Limited. Both companies are registered in Malta and have a registered address at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta.

In terms of IAS 24 - *Related Party Disclosures,* the directors consider that the ultimate controlling parties of Taurus Investments Limited are Alexander Cuschieri, Christine Cuschieri, Alan Cuschieri and Tricia Galea, who collectively own 100% of the issued share capital.

In terms of IAS 24 - *Related Party Disclosures,* the directors consider the ultimate controlling party of Gardell Investments Limited to be Heirs of the Late Alfred Calamatta, Janis Calamatta, Nicholas Calamatta and Gabriella Calamatta, who collectively own 100% of the issued share capital.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions. During the course of the year, the Group entered into transactions with related parties as set out below.

		Sales to related party	**Purchases from related party**	**Amounts owed by related party**	**Amounts owed to related party**
		€	€	€	€
CC IP Holding Limited	2022	-	162,500	6,778,481	-
	2021	7,000,000	-	7,000,000	-
Amounts due from directors	2022	-	-	-	-
	2021	-	-	133,034	-

The Company also charged interest income on loans and receivables from related party of *€51,326* during the period under review (2021 – Nil).

9.11 Russian military action against Ukraine

The geopolitical situation in Eastern Europe worsened in late February 2022, with the commencement of Russia's military action against Ukraine. This conflict is evolving as military activity continues and economic sanctions are imposed by countries in the West on Russia. In addition to the human toll, the conflict is affecting major economic and financial markets and, in particular, entities which have operations in those countries affected by this conflict or entities which conduct business with counterparties in those countries. The degree to which entities are or will be affected by the conflict largely depends on uncertain and unpredictable events, such as further military action or additional sanctions. Political events and sanctions are continually changing and differ across the globe.

The impact of this conflict is treated as a non-adjusting event for the purpose of these financial statements. The situation is volatile and the impact cannot be assessed at this stage. As further disclosed in the Directors' report, in making the going concern assessment, management has considered events up to the date of authorisation of the financial statements and accordingly, the impact of this conflict has been taken into consideration for the purpose of that assessment. The situation continues to be closely monitored by management to ensure that the interests of all its stakeholders are safeguarded.

9.12 Comparative figures

Certain comparative figures have been reclassified in order to comply with the current year presentation.


Calamatta Cuschieri
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Calamatta Cuschieri

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