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').

Financial Suitability Forecast
Date: 21st April 2023
Reference: CCF/CA- 66/23

Quote

"On 21st April 2023, the Board of Directors of CC Finance Group plc, considered and approved the Company's audited financial statements for the year ended 31st December 2022. The financial statements are available for viewing on the Company's website at: https://investors.cc.com.mt/

The Board further noted a material profit or loss variance between the company forecasts for the year 2022 and the financial statements for the financial year ending 31st December 2022 as follows:

- *a) Revenue variance was brought about by the macro environment that reduced trading volumes.*
- *b) Positive Direct costs variance is directly linked to the lower revenue.*
- *c) Staff costs positive variance arose due to cost-containment exercise and variance in capitalisation of salaries.*
- *d) Other administrative costs positive variance arose due to a cost-containment exercise.*
- *e) Other income variance is a result of value changes on the proprietary investment portfolio due to market conditions.*
- *f) Non-controlling interest variance arose due to the loss on discontinued operations.*

Furthermore, the Board noted certain material balance sheet variances as follows:

- *a) Investment property variance is due to the asset write down taken during the year based on the expected sales proceeds of the investment property and the transfer from Investment property to non-current asset held for sale in line with IFRS 5.*
- *g) Fair value through profit and loss investments variance is due to value changes on the proprietary investment portfolio due to market conditions.*
- *b) Trade receivables variances mainly arose from timing differences of working capital movements.*
- *c) Advances to banks and customer liabilities variance is due to the higher-than-expected balances held by customers.*
- *d) Bank loan variance arose due to further loan drawdown at year end.*
- *e) Retained earnings variance is a result of the lower-than-expected profit for the year.*

The Board has also reviewed and approved the updated forecast for 2023 annexed to this announcement.

Unquote

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

CCFinance Group

Financial Suitability Forecast

Summary of Significant Assumptions and Accounting Policies

A. Introduction

The forecast statement of financial position, the forecast statement of profit or loss, and the forecast statement of cash flows (hereafter "the Forecasts") of the Issuer for the periods ending 31st December 2022 have been prepared to provide financial information for the purposes of the announcement of Financial Sustainability Forecasts. The assumptions set out below are the sole responsibility of the Directors of the Company.

The Forecasts are intended to show a possible outcome based on assumptions relating to anticipated future events which the Directors expect to take place, and on actions which the Directors expect to take. Events and circumstances frequently do not occur as expected, and therefore, actual results may differ materially from those included in the forecast and projected financial information. We draw your attention to the risk factors set out in the Admission Document, which describes the primary risks associated with the business to which the Forecasts relates.

The Forecasts are not intended to and do not provide all the disclosures necessary to give a true and fair view of the financial results, financial position, and cash flows of the Group, in accordance with International Financial Reporting Standards as adopted by the EU, however the Directors have exercised due care and diligence in adopting the assumptions set out below.

These Forecasts were formally approved on 21st April 2023 by the Directors, and the stated assumptions reflect the judgements made by the Directors at that date. The assumptions that the Directors believe are significant to the Forecasts are described in Section B below.

B. Basis of preparation and significant assumptions

Basis of Preparation

The Forecasts show the projected financial performance and position of CC Finance Group plc ("the Company") in accordance with International Financial Reporting Standards as adopted by the European Union ("EU-IFRS") except that, due to the nature of Forecast Financial Information, the Forecasts do not include all the disclosure requirements under EU-IFRS and other laws or securities regulations, including but not limited to the Maltese Companies Act (Cap. 386).

Macro-economic assumptions relating to the environment in which the Company operates which are exclusively outside the influence of the Directors and which underlie the forecasts, are the following:

- The rate of inflation will be in line with historic trends,
- The basis and rates of taxation, direct and indirect, will not change materially throughout the period covered by the Forecast Financial Information,

Other significant assumptions

Other assumptions taken by the Directors, which underlie the Forecasts are the following:

1. Revenue

Annual revenue has been projected using 2022 trends as basis with conservative increases in all revenue streams.

2. Wages and salaries

Employee costs have been projected using 2022 as basis with planned increases in staff numbers in line with the group's growth strategy.

3. Other administrative expenses/IT costs

Administration expenses include wages, utilities, and professional fees and other general or corporate overheads. These costs are based on historical trends and agreements as adjusted for inflation, which for the purposes of these Forecasts is assumed to stand at 2%.

4. Finance costs

Finance charges include bond interest payable at an interest rate of 4%, finance costs on lease agreements in accordance with IFRS 16 and interest payable on bank facilities.

5. Income tax

Income tax is composed of current and deferred tax. Current taxation is provided at 35% of chargeable income for the period. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the forecasts and the corresponding projected tax bases in the computation of taxable profit.

6. Intangible assets/property plant and equipment

Intangible assets/property plant and equipment have been forecasted based on 2022 net book values less depreciation/amortisation for 2023.

7. Depreciation/Amortisation

Depreciation is provided on a straight-line basis and at rates intended to write down the cost of the assets or revalued amounts over their expected useful lives. The annual rates used are as follows:

Freehold Buildings	-	1% per annum
Improvements to premises	-	10% per annum
Furniture, fittings and other equipment	-	10% - 33% per annum
Motor Vehicles	-	20% per annum

Intangible assets with a finite useful life are amortised. Amortisation is charged to profit or loss to write off the cost of intangible assets less any estimated residual value over their estimated useful lives.

8. Investment property

Investment property has been forecasted based on 2022 valuation.

9. Fair value through profit and loss investments

The Fair value through profit and loss investments portfolio has been forecasted based on the 2022 valuation of the portfolio and assuming further contributions.

10. Working Capital

The Company's working capital comprises the net impact of trade receivables, inventory and trade payables and is based on historical trends.

11. Borrowings

The projected debt relates to €4m bond issue, net of deferred bond issue costs.

CCFinance Group

Consolidated Statement of Comprehensive Income

	FY23 Forecast ('000s) EUR
Revenue	**14,856**
Direct costs	**(1,699)**
Gross margin	**13,157**
Wages and salaries	**(7,052)**
IT costs	**(1,612)**
Other administrative costs	**(1,353)**
Share of loss in joint venture	**(28)**
Other income	**42**
EBITDA	**3,154**
Depreciation & Amortisation	**(1,489)**
Interest expense	**(278)**
Profit before tax	**1,387**
Loss from Discontinued Operations	**(78)**
Profit before tax and after Discontinued Operations	**1309**
Tax charge	**(564)**
Profit for the year total comprehensive income for the year	**745**
Profit for the year attributable to minority shareholder	**(73)**
Profit for the year attributable to parent	**672**

CCFinance Group

Consolidated Statement of Financial Position

	FY23 Forecast ('000s) EUR
ASSETS	
Non-current assets	
Intangible assets	**7,195**
Property, plant and equipment	**367**
Investment Property	**306**
Right of use Asset - Lease	**894**
Investment in joint venture	**74**
Fair value through profit and loss investments	**1,456**
Loans and receivables	**45**
Deferred tax asset	**1,914**
	12,251
Current assets	
Trade and other receivables	**3,624**
Inventories	**54**
Cash and cash equivalents	**3,136**
Advances to bank	**15,900**
Current tax asset	**324**
	23,038
Total assets	**35,289**
LIABILITIES	
Current liabilities	
Trade and other payables	**1,598**
Lease Liability – current	**299**
Amounts due to customers	**15,900**
Current tax liabilities	**426**
	18,222
Non-current liabilities	
Interest bearing loans and borrowings	**4,000**
Lease Liability – non current	**758**
	4,758
Total liabilities	**22,981**
Net assets	**12,308**
EQUITY	
Share capital	**2,000**
Share award reserve	**150**
Retained earnings and other equity	**9,255**
Investor compensation scheme	**6**
Attributable to equity holders of the parent	**11,411**
Non-controlling interest	**897**
Total equity	**12,308**

CCFinance Group

Consolidated Statement of Cashflows

	FY22 Forecast ('000s) EUR
Cash flows from operating activities	
Profit before tax	**1,309**
Adjustments for:	
Depreciation and amortisation	**1,489**
Amortisation of bond costs	**16**
Share of loss in joint venture	**28**
Share award expense	**89**
Interest expense	**279**
Operating profit before working capital movement	**3,210**
Movement in trade and other receivables	**(190)**
Movement in trade and other payables	**(1,145)**
Movement in inventories	**2**
Movement in advances to Bank	**(6,807)**
Movement in amounts due to customers	**6,807**
Cash flows from operations	**1,877**
Interest paid	**(278)**
Income tax paid	**(426)**
Income tax refund	**505**
Net cash flows from operating activities	**1,678**
Cash flows from investing activities	
Proceeds from sale of property, plant, equipment and intangibles	**3,150**
Purchase of property, plant and equipment and intangibles	**(1,303)**
Purchase of FVTPL financial assets	**(450)**
Net cash flows from investing activities	**1,397**
Cash flows from financing activities	
Repayment of bank loan	**(2,070)**
Payment of principal on leases	**(290)**
Net cash flows from financing activities	**(2,360)**
Net movement in cash and cash equivalents	**715**
Cash and cash equivalents at the beginning of the year	**2,421**
Cash and cash equivalents at the end of the year	**3,136**

C. Conclusion

The Directors believe that the assumptions on which the Forecasts are based are reasonable. The Directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Company will be sufficient for the carrying on of its business.