

Smartcare Finance p.l.c

326, Mdina Road, Qormi, Malta

Co. Reg. No. C 90123

The "**Company**"

COMPANY ANNOUNCEMENT

The following is a company announcement issued by the Company, pursuant to the rules of prospects MTF rules.

Quote

Reference is being made to company announcement SMF14 published on 17th June 2020 wherein the Company published its Annual Audited Financials. The Board of Directors of the Company note that a material variance resulted between the 2019 consolidated projections that were published in Section 11 as well as Annex G to the Company Admission Document issued on 28th May 2019 (original consolidated projections), and actual results registered for the financial period ending 31st December 2019. The original consolidated projections had a profit before tax of €78k for the period ending 31st December 2019, however, Smartcare Group (Smartcare Holding Ltd, Smartcare Finance p.l.c, Smartcare Pinto Ltd, Smartcare Properties Ltd and Segond Boutique Hotels Ltd) generated a loss before tax of €480k during these 12 months, thereby failing to generate a profit as per the original consolidated projections.

Firstly, it is to be noted that whilst the actual results are inclusive of anything relating to Segond Boutique Hotels Ltd, the original consolidated projections are not; since the aforementioned company was incorporated after the publishing of the Company Admission Document. Secondly, the projections were based on the expectation that the old people's home situated at Qormi, operated by Smartcare Pinto Ltd, was going to commence its operations at the beginning of February 2019, however, due to circumstances which were outside management's control, its operations started on 4th June 2019. Finally, the projections assumed that the mix between various dependency levels will be 50% medium dependency and 50% high dependency. Notwithstanding, as at end of December 2019 the mix of the residents was 19% low dependency, 34% medium dependency and 47% high dependency.

These were the main reasons behind the material variances between actual results and original consolidated projections for the financial period ending 31st December 2019.

Unquote

18th June 2020

A handwritten signature in black ink, appearing to be 'S. Abela', written over a faint, illegible background.

Dr Sam Abela

Company Secretary