

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014 4 as it forms part of UK domestic law pursuant to the Market Abuse (Amendment) (EU Exit) regulations (SI 2019/310) ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain



THE CHARACTER GROUP PLC

("Character", the "Company" or the "Group")

Designers, developers and international distributor of toys, games, and giftware

Trading Update

London: Tuesday, 4 October 2022: The Board of Character provides the following update to shareholders on the Group's trading and outlook ahead of the publication of its results for the financial year ended 31 August 2022, which are scheduled to be released in December 2022.

As anticipated in the Company's half yearly report published in May 2022, the Group's sales momentum continued through the remainder of the financial year ended 31 August 2022. Despite the influence of adverse factors, such as continuing high freight rates and the increasing strength of the US Dollar, the Board expects the Group's underlying profit before tax and highlighted items for the year ended 31 August 2022 to be broadly in line with current market expectations.*

The Company has now entered its new financial year and we are focused on the lead up to the all-important Christmas trading period. The industry previews of our new product ranges and introductions for the 2023 season have been well received by our customers and prospective customers alike. However, given current macro-economic headwinds, including the weakness of Sterling and the expected curtailment of consumer spending in the lead up to Christmas due to concerns over cost-of-living increases, the Group's trading conditions remain challenging. Against this economic environment and although only one complete month into the 2023 financial year, the Board considers that the trading performance for the current financial year is unlikely to match the expected outcome for the year ended 31 August 2022.

The Group however continues to trade profitably, has a strong balance sheet, is debt-free with a substantial cash balance and considerable unutilised working capital facilities. The Board is, accordingly, committed to maintaining its progressive dividend policy.

The Company will update the market further on the current year's trading at the time of the publication of the results for the year ended 31 August 2022 in December 2022.

Note:

* Current market consensus compiled by the Company for the year ended 31 August 2022 is an underlying profit before tax of c.£11.275m.

The Character Group plc

FTSE sector: leisure goods:

FTSE AIM All-share: symbol: CCT

Market cap: £95m

Email: info@charactergroup.plc.uk

Group website: www.thecharacter.com

Product ranges can also be viewed at www.character-online.co.uk

[CHARACTER GROUP PLC CCT Stock | London Stock Exchange](#)

Enquiries to:

The Character Group plc

Jon Diver, Joint Managing Director
Kiran Shah, Joint Managing Director & Group Finance Director
Office: +44 (0) 208 329 3377
Mobile: +44 (0) 7831 802219 (JD)
Mobile: +44 (0) 7956 278522 (KS)

Panmure Gordon (*Nominated Adviser and Joint Broker*)

Atholl Tweedie, Investment Banking
Charles Leigh-Pemberton, Corporate Broking
Rupert Dearden, Corporate Broking
Tel: +44 (0) 20 7886 2500

Allenby Capital Limited (*Joint Broker*)

Nick Athanas, Corporate Finance
Amrit Nahal, Sales & Corporate Broking
Tel: +44 (0) 20 3328 5656

TooleyStreet Communications Limited (*Investor and media relations*)

Fiona Tooley
Tel: +44 (0) 7785 703523
Email: fiona@tooleystreet.com