K.A. Holdings Limited

Interim Financial Report and Consolidated Financial Statements (unaudited)

For the period 1 January to 30 June 2026

Company registration number: C 56023

Contents

Interim director's report

The director presents his interim report and the unaudited financial statements of K.A. Holdings Limited ('the company') and the consolidated financial statements of the group for the period ended 30 June 2026. The company and its subsidiary KA Finance Plc constitute the group. KA Finance plc was incorporated on the 22 April 2019 and acts as the financing company of the group.

This interim report has been drawn up according to IAS 34 "Interim Financial Reporting Standards" and in terms of Rule 4.11.12 of the Malta Stock Exchange Prospects rules.

Principal activities

The group's principal activity is the rental of its investment properties to third parties and the raising of finance for related parties.

The company's principal activity is acting as the group's holding company and the rental of its investment properties to third parties.

Review of business

During the period under review the group registered a profit after tax of €643,173 (2025 profit after tax - €706,564), company €636,831 (2025 profit after tax - €705,818). The reason behind the decrease in net profit is the recognition of a one-time profit from disposal of asset, that occurred last year. Profit from disposal of asset was of Eur154,898.

The company reports that, at interim stage, the occupancy in its premises was of 100% in both Centris I, and Centris II. The property in Swieqi remains fully occupied as well.

During the first six months of this financial year, works at the Ross Street site, St. Julians continued with demolition and excavation now complete and construction works started. The site is to be converted in a 60 room 3-star hotel.

Directors

The Company and Group Directors during the period were:

Mr. Kurt Abela (Director of K.A. Holdings Ltd & KA Finance Plc)
Mr. Etienne Borg Cardona (Independent Non-Executive Director of KA Finance Plc)
Mr. John Soler (Independent Non-Executive Director of KA Finance Plc)

Approved by the Board of Directors and signed on its behalf on the 5 August 2026 by:

Kurt Abela
Director

Condensed statements of comprehensive income

	Group		Company	
	Jan-Jun 2026	**Jan-Jun 2025**	**Jan-Jun 2026**	**Jan-Jun 2025**
	€	**€**	**€**	**€**
	(unaudited)	**(audited)**	**(unaudited)**	**(audited)**
Rental income	1,064,354	1,041,033	1,064,354	1,041,033
Other income	129,217	285,957	129,217	285,957
Administrative expenses	(171,188)	(212,675)	(172,132)	(213,823)
Operating profit	**1,022,383**	**1,114,315**	**1,021,439**	**1,113,167**
Finance costs	(219,485)	(211,848)	(224,942)	(211,848)
Profit before tax	**802,898**	**902,467**	**796,497**	**901,319**
Tax expense	(159,725)	(195,903)	(159,666)	(195,501)
Profit for the period	**643,173**	**706,564**	**636,831**	**705,818**

Condensed statements of financial position

	Group		Company	
	30 June 2026 (unaudited)	31 December 2025 (audited)	30 June 2026 (unaudited)	31 December 2025 (audited)
	€	€	€	€
Assets				
Non-current Assets				
Investment property	39,867,779	39,612,476	39,867,779	39,612,476
Investment in subsidiary	-	-	49,999	49,999
Financial assets at fair value through other comprehensive income	36,736	36,736	36,736	36,736
Trade and other receivables	494,251	88,571	494,251	96,921
	40,398,766	**39,737,783**	**40,448,765**	**39,796,132**
Current Assets				
Trade and other receivables	819,479	640,734	808,193	612,405
Cash and cash equivalents	1,174,261	1,115,265	418,952	369,575
	1,993,740	**1,755,999**	**1,227,144**	**981,980**
Total assets	**42,392,506**	**41,493,782**	**41,675,910**	**40,778,112**

Condensed statements of financial position – continued

	Group		Company	
	30 June 2026 (unaudited)	31 December 2025 (audited)	30 June 2026 (unaudited)	31 December 2025 (audited)
	€	€	€	€
Equity				
Share capital	150,000	150,000	150,000	150,000
Revaluation reserve	18,228,151	18,228,151	18,228,151	18,228,151
Retained earnings	6,954,922	6,311,748	6,970,758	6,333,928
Equity attributable to the owners of the parent	**25,333,073**	**24,689,899**	**25,348,909**	**24,712,079**
Non-controlling interest	1	1	-	-
Total equity	**25,333,074**	**24,689,900**	**25,348,909**	**24,712,079**
Non-current liabilities				
Borrowings	5,665,370	4,938,710	5,665,370	4,960,296
Debt securities in issue	5,954,970	5,947,805	-	-
Trade and other payables	1,190,371	1,267,691	6,688,338	6,600,270
Deferred tax liability	3,072,215	3,072,215	3,072,215	3,072,215
	15,882,926	**15,226,421**	**15,425,923**	**14,632,781**
Liabilities				
Current Liabilities				
Borrowings	248,856	519,298	248,856	497,711
Debt securities in issue	242,836	101,507	-	-
Trade and other payables	521,582	668,988	489,180	647,989
Current tax liability	163,233	287,669	163,407	287,552
	1,176,507	**1,577,461**	**901,443**	**1,433,252**
Total liabilities	**17,059,433**	**16,803,882**	**16,327,000**	**16,066,033**
Total equity and liabilities	**42,392,506**	**41,493,782**	**41,675,910**	**40,778,112**

The condensed interim financial statements on pages 3 to 11 were approved, authorised for issue, and signed by the director on 5 August 2026.

Kurt Abela
Director

Condensed statements of changes in equity

	Share capital €	Revaluation reserves €	Retained earnings €	Equity attributable to owners of the parent €	Non-controlling interest €	Total equity €
Group						
At 1 January 2025	150,000	18,347,523	4,262,224	22,759,747	1	22,759,748
Profit for the year	-	-	1,930,152	1,930,152	-	1,930,152
Revaluation of investment property – net	-	(119,372)	119,372	-	-	-
At 31 December 2025 (audited)	**150,000**	**18,228,151**	**6,311,748**	**24,689,899**	**1**	**24,689,900**
At 1 January 2026	150,000	18,228,151	6,311,748	24,689,899	1	24,689,900
Profit for the period	-	-	643,174	643,174	-	643,174
Revaluation of investment property – net	-	-	-	-	-	-
At 30 June 2026 (unaudited)	**150,000**	**18,228,151**	**6,954,921**	**25,333,072**	**1**	**25,333,074**

Condensed statements of changes in equity - continued

	Share capital	Revaluation reserves	Retained earnings	Total equity
	€	€	€	€
Company				
At 1 January 2025	150,000	18,347,523	4,285,762	22,783,285
Profit for the year	-	-	1,928,794	1,928,794
Revaluation of investment property - net	-	(119,372)	119,372	-
At 31 December 2025 (audited)	**150,000**	**18,228,151**	**6,333,928**	**24,712,079**
At 1 January 2026	150,000	18,228,151	6,333,928	24,712,079
Profit for the period	-	-	636,831	636,831
At 30 June 2026 (unaudited)	**150,000**	**18,228,151**	**6,970,759**	**25,348,909**

Condensed statement of cash flows

	Group		Company	
	Jan-Jun 2026	Jan-Jun 2025	Jan-Jun 2026	Jan-Jun 2025
	€	€	€	€
Operating activities				
Profit before tax	802,717	902,466	796,315	901,318
Adjustments	277,086	51,982	224,978	51,982
Net changes in working capital	(712,769)	(1,412,824)	(664,040)	(1,535,717)
Income tax paid	(283,961)	(329,890)	(283,798)	(329,767)
Net cash (used in)/ generated from operating activities	**83,073**	**(788,266)**	**73,455**	**(912,184)**
Investing activity				
Proceeds from sale of Property	-	530,000	-	530,000
Purchase of investment property	(225,206)	(2,872,670)	(225,206)	(2,872,670)
Payments for improvements to investment property	(30,096)	(150,467))	(30,096)	(150,467)
Net cash used in investing activity	**(255,302)**	**(2,493,137)**	**(255,303)**	**(2,493,137)**
Financing activity				
Repayment of bank borrowings	456,218	(240,125)	(243,411)	(240,125)
Proceeds from loans	-	3,430,000	699,629	3,430,000
Interest paid	(224,993)	(206,880)	(224,993)	(206,880)
Net cash generated from/ (used in) financing activity	**231,225**	**2,982,995**	**231,225**	**2,982,995**
Net change in cash and cash equivalents	58,996	(298,408)	49,377	(422,326)
Cash and cash equivalents, beginning of period	1,115,265	1,193,308	369,575	1,139,367
Cash and cash equivalents, end of period	**1,174,261**	**894,900**	**418,952**	**717,041**

Notes to the condensed interim financial statements

1 Basis of preparation

The condensed interim financial statements for the half year ended 30 June 2026 have been extracted from the unaudited management accounts of the Group and have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union, and in accordance with the Companies Act, Cap 386.

The interim financial statements are presented in euro (€), which is also the functional currency of the company and of the group. The amounts presented in the financial statements are rounded to the nearest euro.

2 Accounting policies

The accounting policies applied in these interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2025, as described in those financial statements.

3 Financial risk management

The group's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2025.

4 Critical accounting estimates and judgements

In the process of applying the company's accounting policies, no judgements were required from management which can significantly affect the amounts recognised in these condensed financial statements and, at the end of the reporting period, there were no key assumptions concerning the future, or any 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 six-month period.

5 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of operating segments has been identified as the board of directors, responsible for making strategic decisions. The board of directors considers the group to be made up of two segments: i) rental income and ii) raising financial resources from capital markets to finance the capital projects of the group. All the group's revenue and expenses are generated in Malta and revenue is mainly earned from rental income and recharge of expenses.

6 Related party transactions

The group's related parties include its director, shareholders, key management personnel and other companies ultimately owned by the same shareholders.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Transactions with related companies are generally affected on a cost-plus basis. Outstanding balances are usually settled in cash. There were no transactions with the director and key management personnel during the reporting period under review.

6.1 Transactions with related parties

	Group		Company	
	Jan-Jun 2026 €	Jan-Jun 2025 €	Jan-Jun 2026 €	Jan-Jun 2025 €
Finishing works charged by related company	107,843	147,924	107,843	147,924
Wages charged by related company	30,821	42,652	7,088	42,652
Management fees	-	-	48,155	58,558
Recharges	-	-	7,166	7,166
Finance cost	-	-	141,329	141,329

7 Debt securities in issue

	Group		Company	
	30 June 2026 €	31 December 2025 €	30 June 2026 €	31 December 2025 €
4.75% Secured Callable Bonds redeemable 2026 – 2029				
Amounts falling due within one year	242,836	101,507	-	-
Amounts falling due after more than one year	5,954,970	5,947,805	-	-
	6,197,806	**6,049,312**	**-**	**-**

By virtue of Company Admission Document dated 24 July 2019, the company has issued €6,000,000 4.75% Secured Callable Bonds of nominal value of €100 per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 22 August 2029, with the possibility of early redemption from 23 August 2026 at the option of the company.

The bonds have been admitted on Prospects MTF, a multilateral trading facility operated by the Malta Stock Exchange, on 28 August 2019 with trading in the bonds commencing on 30 August 2019. The carrying amount of the bonds is €6,197,806 (2025: €6,049,312). The market value of the debt securities on the last day before the reporting date was €5,640,000 (Dec 2025: €5,700,000)

Interest is payable on 23 August of each year at the rate of 4.75% per annum, payable annually in arrears on each interest payment date.

Transaction costs of €143,696 directly related to the bond issue are being amortised over the life of the bond.

Net proceeds from the bond issue amounting to €5,856,304 were advanced to the parent company as at period-end and form part of non-current trade and other receivables. This bond is secured by a special hypotec on Centris II, Triq il-Palazz l-Ahmar, Mriehel.

The bonds are measured at the amount of net proceeds adjusted for the amortisation of the difference between net proceeds and the redemption value of the bonds using the effective interest methods as follows:

	30 June 2026 €	31 December 2025 €
4.75% Secured Callable Bonds 2026-2029		
Original face value of bonds issued	6,000,000	6,000,000
Gross amount of bond issue costs	(143,696)	(143,696)
Net proceeds from issuance	**5,856,304**	**5,856,304**
Amortisation of bond issue costs		
Opening balance of amortised bond issue costs	91,501	77,169
Amortisation charge for the period	7,166	14,332
Accumulated amortisation at end of period	**98,667**	**91,501**
Unamortised bond issue costs	(45,032)	(52,195)
Interest accrued as at end of financial period	**242,836**	**101,507**
Amortised cost and carrying amount	**6,197,806**	**6,049,312**

8 Post-reporting date events

No adjusting or other significant non-adjusting events have occurred between the end of the reporting period and the date of authorisation.