

COMPANY ANNOUNCEMENT

This is an announcement of the company KA Finance P.L.C (the “Company”), a company incorporated under the laws of Malta, having company registration number C 91544 and registered address at Project Technik, Cannon Road, Qormi, QRM 9032, Malta. Wherever reference is made to the “Group”, this refers to KA Holdings Ltd (The Guarantor) and KA Finance P.L.C (The Issuer).

Date: 17th December, 2021

Ref No: KAF27

Company Announcement relative to Rule 4.11.12 of the Prospectus Rules.

The Company refers to the obligation which Prospectus MTF Companies are subject to, in terms of Rule 4.11.03 and Rule 4.11.12 relating to explanations of material changes to published forecasts of any financial information. To this end, the Company is accordingly making this announcement to guide the market regarding the forecasts it has issued for the year 2021, through the publication and dissemination of updated Financial Sustainability Forecasts (hereinafter referred to as “FSFs”), including applicable management assumptions. The below copy of the FSFs, as approved by the Board of Directors, is based on the following assumptions:

Revenue

The group is expected to register revenues of €1.32M for the year ending 31st December 2022, a decrease of €1.05 from what was forecasted in the Company Admission Document (“CAD”). The primary reason for this decrease is that projected revenues for 2022 from the group’s property Centris II have been delayed due to impact of the current COVID-19 pandemic. Currently, a number of areas in Centris II are being rented out, and it is forecasted that Centris II will be 80% rented out by the end of 2022.

The Swieqi Project is complete. During the initial months of 2022 the property will be rented out on a long-term basis. From May 2022 onwards, rentals will be gradually converted from long let to short let, in line with the original plan. It is expected that all 15 apartments will be rented on short let from November 2022 onwards.

Revenue from the Centris I property is projected to be in line with the figures projected in the CAD. The Gzira property, which was planned to be transformed into a boutique hotel, is currently being rented on long let.

Direct costs

Direct costs are projected to amount to €190K, a decrease of €52K from the figure forecasted in the CAD. This is as a direct result of the delays experienced in commencement of operations of

the Centris II and Gzira properties as described above, and also as a result of the Swieqi property predominantly being rented out on long let as opposed to short let during 2022.

Administrative costs

Administrative costs are projected to amount to €310K, a decrease of €63K from the figure forecasted in the CAD. This is as a direct result of the delays experienced in the commencement of operation of the Centris II, Swieqi and Gzira properties.

Total net profit

Total net profit is projected to amount to €322K, a decrease of €682K from the €1.00M forecasted in the CAD. This decrease is mainly attributable to a lower revenue from the Centris II, Swieqi and Gzira properties.

Assets, equity and liabilities

Total assets are projected to amount to €29.49M while equity and total liabilities are projected to amount to €15.67M and €13.81M respectively.

Cashflow

It is projected that the company will close the year with a positive cash balance of €335K, €1.74M lower than that forecasted in the CAD, for the reasons outlined above.

Consolidated forecasted income statement for the year ending 31st December 2022

	FSF 2022 €	CAD 2022 €	Variance €
Total Revenue	1,320,747	2,371,175	(1,050,428)
Cost of Sales	(189,927)	(241,847)	51,921
Gross Profit	1,130,821	2,129,328	(998,507)
Total Administrative Expenses	(309,547)	(372,273)	62,726
EBIDTA for the period	821,274	1,757,055	(935,781)
Depreciation	(696)	(57,000)	56,304
Total Interest	(324,936)	(393,851)	68,914
Taxation	(173,593)	(301,970)	128,376
Net Profit	322,049	1,004,235	(682,187)

Consolidated forecasted statement of financial position for the year ending 31st December 2022

	FSF 2022 €	CAD 2022 €	Variance €
Assets			
Total Non-Current Assets	29,048,922	28,657,936	390,987
Total Current Assets	438,746	2,661,273	(2,222,526)
Total assets	29,487,669	31,319,208	(1,831,540)
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Equity & Liabilities			
Total Equity	15,672,897	18,746,022	(3,073,125)
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Total Non-Current Liabilities	12,344,627	11,096,393	1,248,235
Total Current Liabilities	1,470,145	1,476,794	(6,649)
Total Liabilities	13,814,772	12,573,187	1,241,585
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Total Equity & Liabilities	29,487,669	31,319,208	(1,831,540)

Consolidated forecasted statement of cash flow for the year ending 31st December 2022

	FSF 2022 €	CAD 2022 €	Variance €
Cash flows from operating activities			
Net income	322,049	1,004,235	(682,187)
Interest	324,936	393,851	(68,914)
Tax	173,593	301,970	(128,376)
Operating profit	820,578	1,700,055	(879,477)
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depreciation	696	57,000	(56,304)
Changes in working capital	582,034	(11,765)	593,799
Interest Paid	(312,936)	(381,851)	68,914
Tax Paid	(122,161)	(290,636)	168,475
Cash from operating activities	968,211	1,072,804	(104,593)
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Cash flows from investing activities			
Purchase of property plant and equipment	(554,258)	-	(554,258)
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Cash flows from financing activities	(258,625)	(295,465)	36,840
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Net cash movement for the period	155,327	777,338	(622,011)
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Opening cash balance	180,000	1,299,261	(1,119,261)
Closing cash balance	335,327	2,076,599	(1,741,272)



Rachel Bonavia
EMCS Ltd.
Company Secretary