

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: 12th August, 2022

Ref No: KAF34

Company Announcement relative to Rule 4.11.12 of the Prospects Rules.

The Company refers to the obligation which Prospects 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 on the 17th December, 2021, for the year 2022, through the publication and dissemination of the below updated Financial Sustainability Forecast, including the applicable revised management assumptions, as set out below and approved by the Board of Directors on the 9th August, 2022

- the assumptions underlying the forecast issued on the 17th December, 2021 had recognised the possibility of a tenant giving notice of termination by mid-2022. This termination did not materialise and hence the forecast is being updated accordingly. This resulted in an increase in projected revenue.
- the assumptions underlying the forecast issued on the 17th December 2021 assumed that in the second half of 2022, most of the Swieqi apartments would be rented out on a short-term basis. It has now been decided to keep the long term lets until mid-2023. This resulted in a slight decrease in rental income from this property, and also lower Cost of Sales and Administration Expenses.
- the forecast issued on the 17th December, 2021 had recognised the capitalisation of half of the bond interest cost for 2022. IAS 23 dictates that interest is to be expensed when the property is available to let, and this was the case as Centris II was available to let from July 2021. Hence in this revised forecast the full bond cost interest is now reflected in the income statement for 2022.

The overall impact of the application of the above-mentioned revised assumptions has resulted in positive variances to 2022 revenues, EBITDA and net profit as detailed below:

**FSF Analysis Variance
 Revised vs Uploaded**

Income statement	FSF 2022 (Revised)	FSF 2022	Variance
	€	€	€
Total Revenue	1,347,792	1,320,748	27,044
Cost of Sales	(83,662)	(189,927)	106,265
Gross Profit	1,264,130	1,130,821	133,309
Total Administrative Expenses	(253,229)	(309,547)	56,318
EBITDA for the period	1,010,901	821,274	189,627
Depreciation	-	(696)	696
Amortisation of Costs	(14,328)	-	(14,328)
Total Interest	(427,405)	(324,936)	(102,469)
Taxation	(179,948)	(173,593)	(6,355)
Net Profit	389,220	322,049	67,171

**FSF Analysis Variance
 Revised vs Uploaded**
Balance Sheet

	FSF 2022 (Revised)	FSF 2022	Variance
	€	€	€
Assets			
Total Non-Current Assets	29,049,618	29,048,922	696
Total Current Assets	496,841	438,747	58,094
Total assets	29,546,459	29,487,669	(1,831,539)
Equity & Liabilities			
Total Equity	15,740,068	15,672,897	67,171
Total Non-Current Liabilities	12,468,278	12,344,627	123,651
Total Current Liabilities	1,338,113	1,470,145	(132,032)
Total Liabilities	13,806,391	13,814,772	(8,381)
Total Equity & Liabilities	29,546,459	29,487,669	(1,831,539)

**FSF Analysis Variance
 Revised vs Uploaded**

Cash Flow Forecast	FSF 2022 (Revised)	FSF 2022	Variance
	€	€	€
Cash flows from operating activities			
Net income	389,220	322,049	67,171
Interest	427,405	324,935	102,470
Tax	179,948	173,593	6,355
Operating profit	996,573	820,577	175,996
Depreciation	-	696	(696)
Changes in working capital	393,850	582,034	(188,184)
Interest Paid	(427,405)	(312,936)	(114,469)
Tax Paid	-	(122,161)	122,161
Cash from operating activities	963,017	968,210	(5,192)
Cash flows from investing activities			
Purchase of property plant and equipr	(554,258)	(554,258)	(0)
Cash flows from financing activities			
	(271,932)	(258,625)	(13,307)
Net cash movement for the period	136,827	155,327	(18,500)
Opening cash balance	180,000	180,000	
Closing cash balance	316,827	335,327	(18,500)



Rachel Bonavia
 EMCS Ltd
 Company Secretary