

COMPANY ANNOUNCEMENT

This is an announcement of 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.

Date: 19th December, 2023

Ref No: KAF47

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 with regards to the forecasts it had issued for the year 2023, 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 €2.085M for the year ending 31st December 2024, an increase over the forecasted revenue for 2023. The primary reason for this increase is that Centris I is expected to have an occupancy of around 90% in 2024. As previously advised, Bank of Valletta PLC will be terminating their lease by the end of 2023. This vacated office space in Centris I has now been completely taken up by alternative tenants. Centris II will also remain completely leased out throughout 2024.

The projected revenues for 2024 are also based on having the Swieqi property rented out on long lets as has been the case for the past years.

With regard to the two Gzira properties, the 2024 forecast assumes that both properties will remain rented out until the end of August 2024, as both properties will be sold in Q3 2024, as per announcements already issued. The profit of €325,047 shown in the consolidated forecast income statement relates to the sale of these properties and is net of tax.

Direct costs

Direct costs are projected to amount to €250K in 2024, in line with what was projected in 2023.

Administrative costs

Administrative costs are projected to amount to €138K in 2024, in line with was projected for 2023.

Total net profit

Total net profit is projected to amount to €1.316 million, an increase of €379K over the amount forecasted for 2023. This increase is mainly attributable to profits from sales of the properties in Gzira and increased rental revenues.

Assets, equity, and liabilities

Total assets are projected to amount to €30.8 million. Equity and total liabilities are projected to amount to €17.9 million and €12.8 million respectively.

Cashflow

It is projected that the company will close 2024 with a positive cash balance of €1.66 million compared to a positive cash balance of €424K projected for 2023.

Consolidated forecasted income statement for the year ending 31st December 2024

Income statement	FSF 2024	FSF 2023	Change
	€	€	€
Total Revenue	2,085,137	1,999,566	85,517
Cost of Sales	(249,704)	(235,842)	(13,862)
Gross Profit	1,835,432	1,763,724	71,708
Total Administrative Expenses	(138,121)	(136,271)	(1,850)
EBIDTA for the period	1,697,312	1,627,453	69,859
Depreciation	-	-	-
Profit from Sale of Property	325,047	-	325,047
Total Interest	(427,326)	(424,791)	(2,535)
Taxation	(278,966)	(266,387)	(12,579)
Net Profit	1,316,067	936,275	379,792

Consolidated forecasted statement of financial position for the year ending 31st December 2024

Balance Sheet	FSF 2024	FSF 2023	Variance
	€		€
Assets			
Total Non-Current Assets	28,948,865	29,649,618	(700,753)
Total Current Assets	1,874,404	603,914	1,270,489
Total assets	30,823,268	30,253,532	569,736
Equity & Liabilities			
Total Equity	17,992,410	16,676,343	1,316,067
Total Non-Current Liabilities	11,647,084	12,147,494	500,410
Total Current Liabilities	1,183,774	1,429,695	245,921
Total Liabilities	12,830,858	13,577,189	746,331
Total Equity & Liabilities	30,823,268	30,253,532	569,736

Consolidated forecasted statement of cash flow for the year ending 31st December 2024

Cash Flow Forecast	FSF 2024	FSF 2023	Variance
	€	€	€
Cash flows from operating activities			
Net income	1,316,067	936,275	379,792
Less Profit on Sale of Property	(325,042)	-	(325,042)
Interest	427,326	424,791	(2,535)
Tax	278,966	266,387	12,579
Operating profit	1,697,312	1,627,453	69,859
Depreciation	-	-	-
Changes in working capital	(466,142)	(437,963)	(28,181)
Interest Paid	(427,326)	(410,463)	(16,863)
Tax Paid	(266,387)	(179,948)	(86,439)
Cash from operating activities	537,456	599,079	(61,623)
Cash flows from investing activities			
Sales of property, plant and equipment	855,800	-	855,800
Cash flows from financing activities	(318,249)	(335,111)	16,862
Net cash movement for the period	1,075,007	263,967	(811,039)

Opening cash balance	594,438	160,470	433,968
Closing cash balance	1,669,445	424,437	1,245,007



Rachel Bonavia
EMCS Ltd
Company Secretary