



COMPANY ANNOUNCEMENT

This is an announcement of the company Testa Finance P.L.C, a company incorporated under the laws of Malta, having company registration number C 85495 and registered address at Ru 19, The Pjazza, The Point, Tigne Point, Sliema, Malta.

Date: 15 January 2020

Ref No: TST10

Company Announcement relative to Rule 4.11.12 of the Prospectus Rules.

The following is a company announcement issued by Testa Finance P.L.C (The Company) pursuant to Rule 4.11.12 of the Prospectus Rules.

Quote

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 the publication of twelve-month financial information as defined in Table 1 paragraph 3 of the Prospectus Rules and, specifically, the publication and dissemination (via a company announcement) of 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 Testa Group's (i.e. Testa Properties Limited, Testa Catering Concepts Limited and Testa Finance plc) revenue for the twelve months ending 31 December 2020 is expected to total XXX should the number of outlets operating remain the same. This income shall be generated through the operation of the catering establishments owned by the Group, namely French Affaire, Cibo, RossoPomodoro and Beefbar.

Direct costs

Direct costs are calculated based on historic averages which are quite standard in the catering industry and the Testa Group in general. These mainly concern the acquisition of food items to be used in the establishments.

Administrative costs

Testa Finance Plc

Ru 19, The Point, Tigné Point, Sliema, Malta. info@testacatering.com.mt - testacatering.com.mt

Administrative costs consist of fixed costs and variable costs. The latter are calculated based on historic performance and industry averages.

Finance costs

Finance costs relate primarily to interest on the Group's borrowings, which mainly constitute the bond issued on Prospects MTF. Other finance costs include bank charges and EPOS commissions, interest on the general banking facility and finance costs in relation to the leases as per IFRS 16.

Taxation

Current taxation is based on the corporate tax rate in Malta of 35%.

Working Capital

The Group's main line of business is the operation of catering establishments. Consequently, trade debtors are quite limited and usually comprise of deposits or prepayments made by the Group for the acquisition of inventory or other assets. The Group's working capital mainly comprises of the net impact of trade and other receivables together with trade and other payables. Trade and other payables include both trade payables and capital creditors.

**Projected consolidated income statement for the year ending 31
December**

	2020
	€
Revenue	5,533,203
Cost of Sales	(1,598,481)
Gross profit	3,934,722
Administrative expenses	(2,169,988)
Operating profit	1,764,734
Finance costs	(359,707)
Depreciation and amortisation	(1,080,383)
Profit before tax	324,644
Taxation	(113,625)
Net profit	211,019

**Projected consolidated statement of financial position as at 31
December**

2020

€

Assets

Property, Plant and Equipment	5,472,002
Intangible asset	651,252
Investment property	640,152
Deferred tax assets	24,877
Right-of-use asset	2,492,010
Total non-current assets	9,280,293
 <i>Current Assets</i>	
Cash and cash equivalents	1,465,966
Trade and other receivables	316,988
Inventories	138,330
Total current assets	1,921,284
 Total assets	 11,201,577

**Projected consolidated statement of financial position as at 31
December (continued)**

2020

€

Equity and liabilities

Equity

Share capital	641,356
Retained earnings	(254,664)
Non-controlling interest	1
	386,693

Liabilities

Interest bearing liability	3,900,000
Finance lease liability	2,742,431
Other payables	461,645
Total non-current liabilities	7,104,076

Current liabilities

Accruals	1,024,940
Trade and other payables	2,474,513
Finance lease liability (current)	211,355
Total current liabilities	3,710,808

Total liabilities	10,814,884
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Total equity and liabilities	11,201,577
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**Projected consolidated statement of cash flows for the year ending
31 December**

2020
€

Cash flows from operating activities	
Operating profit	1,764,734
Decrease in trade payables	(540,695)
Increase in inventory	(61,480)
Finance costs paid	(273,432)
Net cash generated from operating activities	889,127
Cash flows from investing activities:	
Additions to property, plant and equipment and other non-current assets	(302,500)
Net cash used in investing activities	(302,500)
Cash flows from financing activities:	
Net repayment of finance lease liabilities	(586,958)
Net cash used in financing activities	(586,958)
Cash and cash equivalents at beginning of year	1,466,297
Net increase/(decrease) in cash and cash equivalents	-331
Cash and cash equivalents at end of year	1,465,966

Unquote

By order of the Board of Directors of the Company,



Reuben Debono ID 422778M

Company Secretary