

Date of Announcement: 27 April 2022

Reference: 4/2022



The following is a company announcement issued by HH Finance plc (the "Company"), bearing company registration number C-84461, pursuant to the Prospects MTF Rules.

Approval of Financial Sustainability Forecasts

QUOTE

The Company makes reference to Company Announcement MSE Ref: HHF53, wherein the Company announced that during the Board of Directors' meeting on 27 April 2022, the Board of Directors resolved to approve the Company's annual report and audited financial statements for the year ended 31 December 2021.

The Company hereby announces that during the said meeting, the Board of Directors of the Company approved the Financial Sustainability Forecasts for the financial year ending 31 December 2022 (the "FSFs"), a copy of which is being attached herewith. The FSFs are also available for viewing at the registered office of the Company and in the Investor Relations section on the Company's website, <http://www.hhfinance.com.mt/>.

The Company hereby informs the market that the FSFs were accordingly published on the basis of management's anticipation that the actuals for the financial year ending 2022 will not vary materially from the financials published in the audited financial statements for the financial year ended December 2021, and this insofar as topline revenue, total operating expenses, profitability and the balance sheet are concerned, subject, however, to a valuation of *H Hotel*, situated at Triq Santu Wistin, Paceville, St. Julian's, Malta, of which property the Company is proprietor, to be conducted by the Company throughout the course of 2022, and which valuation may in turn affect profitability.

UNQUOTE

By order of the Board.

Dr Emma Grech
Company Secretary
27 April 2022

HH Finance plc
Projected Income Statement for the year ending 31 December

	2022
	€
Revenue	
Rent from H Hotel	<u>2,070,905</u>
Administrative expenses	
Accountancy fees	(5,284)
Audit fee	(7,084)
Bank charges	(250)
Directors' fees	(52,000)
Miscellaneous fees	(30)
Professional fees	(4,000)
Property Rental	(463)
Registration fees	(8,600)
Secreterial fees	<u>(12,000)</u>
	(89,711)
Operating profit	<u>1,981,194</u>
Interest expense	
Effective interest amortisation on related party borrowings	(315,076)
Interest on related party borrowings	(679,000)
Interest on bonds	<u>(250,000)</u>
	(1,244,076)
Interest income	
Credit facility with related party	246,746
Loan interest with related party	<u>41,396</u>
	288,142
Profit before tax	1,025,260
Tax charge for the year	-
Profit after tax	<u>1,025,260</u>

* It is being assumed that due to the group loss relief, HH Finance plc will not incur any tax charge for 2022.

Operating expenses as % of revenue	4%
EBIDTA margin (%)	96%

HH Finance plc
Projected Statement of Financial Position as at 31 December

	2022
	€
Assets	
Non-current assets	
Investment property	39,000,000
Loans receivable	7,079,282
Other receivables	1,750,045
	<u>47,829,327</u>
Current assets	
Other receivables	2,704
Cash and cash equivalents	112,101
	<u>114,805</u>
Total Assets	<u>47,944,132</u>
Equity and Liabilities	
Capital and reserves	
Share capital	150,000
Retained Earnings	11,091,151
Total Equity	<u>11,241,151</u>
Provision for liabilities and charges	
Deferred tax liabilities	3,620,900
	<u>3,620,900</u>
Non-current liabilities	
Amounts owed to the parent company	25,166,966
€5,000,000 bonds 5% 2023-2028	5,000,000
Accrued interest	2,659,417
	<u>32,826,383</u>
Current liabilities	
Trade and other payables	9,792
Accrued interest	154,795
VAT payable	91,111
	<u>255,698</u>
Total Liabilities	<u>36,702,981</u>
Total Equity and Liabilities	<u>47,944,132</u>

HH Finance plc
Projected statement of cash flows

	2022
	€
Cash flow from operating activities	
Profit before tax	1,981,194
Movement in working capital	<u>(289,490)</u>
Net cash flows from operating activities	<u>1,691,704</u>
Cash flow from investing activities	
Advances to a fellow subsidiary	(1,537,116)
Repayments from a fellow subsidiary	<u>100,000</u>
	<u>(1,437,116)</u>
Cash flow from financing activities	
Bond interest	<u>(250,000)</u>
	<u>(250,000)</u>
Net cash increase in cash and cash equivalents	4,588
Cash and cash equivalents at beginning of year	<u>107,514</u>
Cash and cash equivalents at end of year	<u>112,102</u>